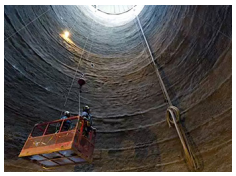

BHP likely to open Jansen potash mine in Canada by 2023

BHP (ASX, NYSE:BHP) (LON:BLT), the largest mining company by market capitalization, sees potash as a key commodity in which to base its future growth despite prices are still hovering around $230 a tonne, less than half what they were only five years ago.

Speaking at the **Bank of Merrill Lynch mining conference** in Barcelona, Spain, chief executive Andrew Mackenzie confirmed the company's commitment to the crop nutrient by announcing that the first phase for the company's massive Jansen potash mine will be completed within six years.

"As we currently see it, we're looking at a phased expansion into Jansen with an initial stage of four million tonnes per annum, and that will generate competitive returns," **Mackenzie said**.

He added the company could seek approval from the board for such expansion as early as June 2018, with production beginning in 2023.

"As we progress this project we continue to optimize the development path as to how we might add a mine to those shafts so we can reduce risk and unlock value," Mackenzie noted.

The world's number one mining company has committed to date a total investment of $3.8 billion to move Jansen into production. From that total, $2.6 billion have been set aside for surface construction and the sinking of shafts, though analysts predict the total cost will be close to $14 billion.

BHP could seek approval from the board for Jansen's expansi

According to BHP's leader, a phased expansion of Jansen — which is projected to produce generate 8 million tonnes of potash a year or nearly 15% of the world's total — is expected to generate competitive returns in stage 1, with significant potential upside in subsequent stages.

However, he didn't seem in any rush to finish the project. Instead, he said that, as with every venture BHP embarks on, the company will only develop it "when the time is right."

Written by: Cecilia Jamasmie

Source: **Mining.com** , May 16, 2017.