



Exclusive

## **Glencore Q1 production improves YOY for copper, nickel, cobalt**

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TOP NEWS

Glencore Q1 production improves YOY for copper, nickel, cobalt

Glencore PLC booked year-over-year increases in own-sourced first-quarter production for copper, nickel and cobalt, which are up 7% to 345,400 tonnes, 21% to 30,100 tonnes and 11% to 7,000 tonnes, respectively. Production for zinc, lead, gold, silver and ferrochrome fell year over year, down 13% to 242,700 tonnes, 17% to 57,400 tonnes, 11% to 231,000 ounces, 11% to 8.30 million ounces and 7% to 409,000 tonnes, respectively.

EN+ Group said to receive interest for Deripaska's stake

En+ Group PLC received initial interest for Oleg Deripaska's stake in the company, which the Russian billionaire agreed to sell amid U.S. sanctions, the Financial Times wrote, citing anonymous sources. The talks were preliminary and included foreign firms, the source said, without disclosing the names of the potential buyers.

Vedanta may invest up to US\$800M for smelter-refinery complex at Gamsberg

Vedanta Resources PLC's Zinc International unit is exploring the development of a smelter to process concentrates from its flagship Gamsberg zinc project in South Africa. Phase one of the US\$400 million Gamsberg development is underway, with first production scheduled for mid-2018 and full production expected in nine to 12 months. The Gamsberg refinery could see a further investment of between US\$700 million and US\$800 million.

## DIVERSIFIED

\* BHP Billiton Group is preparing to stop running pastoral stations and exit the livestock industry, with the mining giant seeking to lease out its Ethel Creek and Marillana stations in Western Australia and sell the remaining breeding stock, which could fetch about A\$10 million, the Australian Financial Review reported. The stations include BHP's Yandi iron ore mine and the Marillana deposit, which is eyed for future development.

\* Nyrstar NV's first-quarter zinc, copper and gold production posted increases of 42%, 41% and 25%, respectively, to 33,000 tonnes of zinc, 500 tonnes of copper and 400 troy ounces of gold. Silver production, however, fell 8% to 108,000 troy ounces in the period. Revenue, meanwhile, increased 3% yearly to €957 million.

\* AMG Advanced Metallurgical Group NV's net income attributable to shareholders in the first quarter rose 18% year over year to US\$18.4 million. Revenue in the quarter jumped 20% year over year to US\$308.4 million, driven by improved vanadium, silicon metal, aluminum, antimony, graphite and titanium prices and by higher sales volumes of vanadium, aluminum, chrome, graphite, tantalum and titanium products.

\* Mitsui & Co. Ltd.'s takeover offer for AWE Ltd. was completed May 2. The company acquired 96.47% of the shares in the Australian oil and gas producer for A\$580 million. Mitsui has now started compulsory acquisition of the remaining shares and intends to delist AWE from the ASX by the end of May.

## BASE METALS

\* Hudbay Minerals Inc. swung to a first-quarter net profit of US\$41.4 million, or 16 cents per share, from a restated net loss of US\$10.0 million, or 4 cents per share, a year earlier. Total contained metal in concentrate produced at its Peru and Manitoba operations was 39,206 tonnes of copper, 31,093 ounces of gold and 977,138 ounces of silver, marking yearly increases of 12.9%, 50.0% and 32.4%, respectively. This was a result of a result of higher milled throughput at all operations.

\* Glencore Chairman Tony Hayward is in negotiations with Gecamines SA to recapitalize its copper-cobalt subsidiary, Kamoto Copper Co. SARL, held via Katanga Mining Ltd., in the Democratic Republic of the Congo, the Financial Times reported. The commodities trader is likely to forgive a portion of Kamoto Copper's debt in order to recapitalize the company, according to sources.

\* Avanco Resources Ltd.'s directors and management accepted a A\$418 million off-market takeover offer from OZ Minerals Ltd., where Avanco shareholders will receive 8.5 cents in cash and 0.009 OZ Minerals shares per Avanco share. The offer will close on May 14.

\* Mongolian Copper Corp. LLC is considering international arbitration as it expects the Mongolian government to appeal a court decision that declared an attempt to buy the company's stake in the Erdenet copper mine illegal, Reuters reported. Mongolia's administrative court ruled recently that the government had no legal right to take over the Erdenet shares without any formal engagement with the company.

\* Clean TeQ Holdings Ltd. is on track to deliver a definitive feasibility study for its Clean TeQ Sunrise nickel project in New South Wales, Australia, in June, which will provide an update of its 2016 pre-feasibility study and incorporate an October 2017 resource update.

\* Groupe Forrester's Groupement du Terril de Lubumbashi Ltd. unit and the Democratic Republic of the Congo-owned Gecamines resolved a dispute that has slowed work at their cobalt processing plant for months, Reuters reported.

\* Indonesia expects its tin output to reach 75,000 tons in 2018, up 7.75% year over year, Kontan reported.

## PRECIOUS METALS

\* Centamin PLC more than doubled its first-quarter pre-tax profit to US\$65.4 million, from US\$29.5 million in the comparable year-ago period. Basic earnings per share after profit share likewise improved, up 171% year over year to 3.17 cents, from 1.17 cents.

\* Royalty and streaming company Royal Gold Inc. swung to a net loss of US\$153.7 million, or a loss of US\$2.35 per share, for its third fiscal quarter, from a net profit of US\$23.7 million, or 36 cents per share, recorded a year earlier. Revenues for the quarter, meanwhile, came in at US\$116.0 million, rising 8.4% from US\$107.0 million in the prior-year period.

\* A lawyer representing South African miners who contracted fatal lung diseases silicosis and tuberculosis in mines said that an out-of-court settlement was expected to be signed May 3 with Harmony Gold Mining Co. Ltd., Anglo American PLC, African Rainbow Minerals Ltd., Sibanye Gold Ltd., AngloGold Ashanti Ltd. and Gold Fields Ltd., the firms implicated in the issue, Reuters reported.

\* Yamana Gold Inc. swung to a first-quarter net loss of US\$160.6 million, from a net profit of US\$1 million in the comparable year-ago period. Net loss attributable to equity holders for the period was US\$160.1 million, or 17 cents per share. Total gold production from Yamana mines increased 12.2% year over year to 199,555 ounces, resulting from higher output at its El Peñón mine in Chile and its 50%-owned Canadian Malartic mine in Quebec of 40,391 ounces and 83,403 ounces, posting increases of 20% and 16%, respectively.

\* Kirkland Lake Gold Ltd.'s net earnings grew 31% to US\$53.8 million in the first quarter as compared to the fourth quarter of 2017 and more than quadrupled year over year from US\$13.1 million.

\* Tahoe Resources Inc. swung to a net loss of US\$6.9 million, or a loss of 2 cents per share, for the first quarter, from a net profit of US\$74.7 million, or 24 cents per share, recorded a year earlier. The quarter's results were negatively impacted by the suspension of mining at the Escobal silver-gold-lead mine in Guatemala, which resulted in no material revenue for the quarter, and care and maintenance costs of US\$10.4 million. During the quarter, Tahoe produced 91,000 ounces of gold, slipping from 119,000 ounces in the prior-year period, while output of silver fell by 99.4% year over year to 34,000 ounces, from 5.7 million ounces.

\* LeaGold Mining Corp. arranged debt and equity financings as part of its C\$314 million all-share acquisition of Brio Gold Inc.

\* Erris Resources Plc secured a 59.4-square-kilometer mining license, dubbed the Enåsen No. 5 gold project, in central Sweden. The license surrounds the past-producing Enåsen mine.

\* Kingsgate Consolidated Ltd. confirmed that it has appointed Investec Australia Ltd. to advise and assist in identifying options to monetize its Nueva Esperanza silver project in Chile.

\* Dundee Precious Metals Inc. produced a record gold output of 57,331 ounces in the first quarter, as well as 9.3 million pounds of copper, in line with its full-year guidance.

\* Indiana Resources Ltd. will proceed to acquire the issued share capital of Mukuyu Resources Ltd., which holds a 75% interest in the Koussikoto Ouest and a 95% interest in the Kenieko Nord licenses in western Mali, following a successful completion of due diligence.

\* StrikePoint Gold Inc. signed a nonbinding letter of intent with Skeena Resources Ltd. to acquire the latter's Porter Idaho silver project in British Columbia in a cash and stock deal.

\* Encounter Resources Ltd. entered into joint venture deals with a Newcrest Mining Ltd. subsidiary, on an initial 50/50 basis, over five separate projects, covering an area of 4,400 square kilometers in Western Australia.

\* Spectrum Rare Earths Ltd. secured a three-month option to acquire the Washington gold mine in northern California from LeoGroup LLC unit French Gulch (Nevada) Mining Corp.

\* Golden Rim Resources Ltd. outlined a maiden indicated and inferred resource of 1 million ounces of gold contained in 20.8 million tonnes grading 1.5 g/t of gold at its Kouri gold project in Burkina Faso.

## BULK COMMODITIES

\* FMC Corp. reported net income attributable to shareholders of US\$267.2 million in the first quarter, swinging from a year-ago net loss of US\$124.2 million, while the company's consolidated revenue grew 103% year over year to US\$1.21 billion in the period. The improvements were driven by higher volume from debottlenecking projects in Argentina and the hydroxide expansion in China, higher prices on all product categories and lower operating costs. Meanwhile, FMC boosted its adjusted earnings outlook to between US\$5.90 and US\$6.20 per share for 2018, up 12% at the mid-point compared to prior guidance.

\* For the fiscal year ended March 31, Itochu Corp.'s metals and minerals segment booked an attributable net profit of ¥82.46 billion, jumping 82% year over year from ¥45.24 billion. The company primarily attributed the positive results to higher prices for iron ore and coal and to increased iron ore sales.

\* An extension from the U.S. Treasury to June 6 to divest financial holdings in the companies in which Russian billionaire Oleg Deripaska is a major shareholder may greatly reduce the restrictions on aluminum producer United Co. Rusal PLC, Rio Tinto CEO Jean-Sebastien Jacques said. "We are reviewing the situation, but today we can see a way forward. We'll come back to the market as and when the situation is clear," the executive was quoted as saying by Reuters.

\* Brazil agreed to the U.S. government's offer to set quotas for steel imports to avoid a 25% tariff, Metal Bulletin reported. Producers agreed to limit their exports to 70% of the 2015-2017 average for finished steel products and 100% of the three-year average for semi-finished steel products, with the final details about the measure yet to be defined, steel association Aço Brasil said. Argentina also agreed to quotas on steel exports to secure exemption from the U.S. import tariffs, Metal Bulletin reported, citing national steel association Acero Argentino.

## SPECIALTY

\* Lucapa Diamond Co. Ltd. recovered a large, gem-quality 46-carat pink diamond, its largest gem-quality diamond recovered to date, at the Lulo diamond project in Angola.

\* Tawana Resources NL and Alliance Mineral Assets Ltd. completed the first shipment of spodumene concentrate from its Bald Hill lithium-tantalum joint venture in Western Australia.

\* Mkango Resources Ltd. will soon begin a 5,000-meter diamond drilling program, its largest to date at the Songwe Hill rare earths project in Malawi, as part of the initial phases of a feasibility study for the project. The completion of an updated resource estimate is slated for the end of the year.

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