



Exclusive

## **Glencore to hit upper end of trading profit guidance after strong Q1 output**

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1,761 words

3 May 2018

SNL Financial Extra

SNLFE

English

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TOP NEWS

### **Glencore to hit upper end of trading profit guidance after strong Q1 output**

Glencore PLC's first-quarter production was mainly in line with expectations across all commodity groups, and the company maintained its previously announced full-year guidance, with full-year marketing EBIT expected to be within the top half of the long-term guidance range of US\$2.2 billion to US\$3.2 billion. The company's own-sourced copper production increased 7% year over year to 345,400 tonnes, while own-sourced zinc output declined 13% year over year to 242,700 tonnes. Lead output from own sources slipped 17% year over year to 57,400 tonnes and own-sourced nickel output jumped 21% year over year to 30,100 tonnes. Cobalt production grew 11% on a yearly basis to 7,000 tonnes.

### **Ontario to share 40% of some mining tax revenues with First Nations**

The Ontario government agreed with a number of First Nations to share nearly half of the revenues it collects through mining taxes in some areas of the province that include many of its major mines. The agreements are with 32 First Nations represented by Grand Council Treaty #3, Wabun Tribal Council and Mushkegowuk Council.

### **13 miners trapped at Sibanye's Masakhane mine after seismic activity**

Thirteen miners were trapped underground at the Masakhane mine within Sibanye Gold Ltd.'s Driefontein gold operations in South Africa following a seismic activity. Five miners were rescued but one of them has died, Reuters reported.

## **DIVERSIFIED**

\* Vedanta Ltd.'s net profit after tax in the fourth quarter of its fiscal 2018 rose 34% year over year to 56.75 billion Indian rupees, while EBITDA was up 9% to 79.29 billion rupees.

\* Saudi Arabian Mining Co., or Ma'aden, booked a net profit of 754 million Saudi riyals in the first quarter, up 121% year over year. The company's revenue increased 32% on a yearly basis to 3.56 billion riyals. The company's gold production was up 69% to 118,000 ounces, while aluminum and alumina output rose 2% and 5%, respectively, to 233,000 tonnes and 389,000 tonnes. Production of ammonium phosphate fertilizer grew 4% to 753,000 tonnes.

\* BHP Billiton Group is preparing to lease out its Ethel Creek and Marillana cattle stations in Western Australia's Pilbara region as the commodities giant eases its way out of the livestock industry, The Australian Financial Review wrote.

\* BP Plc tapped Morgan Stanley as it weighs the acquisition of some of BHP Billiton's energy assets, Bloomberg News reported, citing sources. BHP is set to evaluate bids for about US\$10 billion assets in the third quarter.

\* 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.

## BASE METALS

\* Minfocus Exploration Corp. will refuse GreenBank Capital Inc.'s request for a shareholder meeting as the request does not constitute a valid shareholder requisition under Canadian laws.

\* Sandfire Resources NL will increase its exploration spending and could fund between a A\$1 billion and A\$2 billion development project with its improved balance sheet supported by the DeGrussa copper-gold mine and the nearby Monty copper project in Western Australia, over the next four years, The Australian Financial Review reported.

## PRECIOUS METALS

\* Sibanye Gold's adjusted EBITDA for the quarter ended March 31 rose 30% year on year to 1.58 billion South African rand as the performance of its U.S. and South African platinum group metal operations offset a challenging period for the group's South African gold operations. Gold output from South Africa declined to 291,500 ounces, from 330,100 ounces produced in the same quarter of the previous fiscal year.

\* Centamin Plc's first-quarter net income attributable to shareholders surged to US\$36.4 million from US\$13.4 million a year ago. Revenue increased to US\$172.5 million from US\$140.7 million, while the cost of sales fell.

\* Endeavour Silver Corp.'s first-quarter net earnings dropped 61% year on year to US\$2.3 million, despite an 11% rise in revenues, weighed down by higher depreciation and depletion charges. Silver production was up 25% year on year to 1.35 million ounces, and gold output rose 13% to 13,208 ounces.

\* According to the World Gold Council, global gold demand fell 7% year on year to 973.5 tonnes in the first quarter, the metal's weakest first quarter since 2008, Reuters wrote. The investment sector accounted for the largest drop in demand as gold bar and coin consumption tumbled 15%, while investment in gold-back exchange-traded funds was down by two-thirds on a yearly basis.

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

\* Tahoe Resources Inc. resolved the labor strike at its La Arena gold mine in Peru and addressed the concerns raised by the community of La Arena.

\* Renforth Resources Inc. granted Chalice Gold Mines Ltd. an option to earn an 80% interest in its Denain-Pershing gold property in Quebec.

\* Spectrum Rare Earths Ltd. secured an exclusive and binding three-month option to value and explore, with a right to acquire, the past-producing Washington gold property in northern California from LeoGroup LLC subsidiary French Gulch (Nevada) Mining Corp.

\* American Pacific Mining Corp. vended out the recently acquired JPL gold property in Nevada to private British Columbia-based company AAA Equity Holdings Corp.

\* 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.

\* 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 4,400 square kilometers in Western Australia.

\* A preliminary economic assessment for Harte Gold Corp.'s Sugar Zone gold project in Ontario pegged a posttax net present value of C\$244 million, discounted at 5%, and a 42% internal rate of return.

\* Golden Rim Resources Ltd. estimated a maiden mineral resource for its Kouri gold project in Burkina Faso of 1.0 million contained ounces. The indicated and inferred resources are contained in 20.8 million tonnes of ore at 1.5 g/t gold at a 0.5 g/t gold cutoff.

## BULK COMMODITIES

\* Vedanta Resources PLC expects a noncash impairment reversal of US\$850 million to US\$950 million on its books for the year ended March 31, reflecting a similar reversal of about US\$661 million for its Vedanta Ltd. unit. The unit previously recorded the impairment for its oil and gas business, which has turned around mainly due to the progress of the company's key growth projects.

\* Glencore and Yancoal Australia Ltd. could soon receive final approval for their deal covering the Hunter Valley coal operation in New South Wales, Australia, which was formerly owned by Rio Tinto, The Australian Financial Review's Street Talk reported.

\* The Queensland, Australia, state government added over 540 square kilometers of acreage in the Bowen, Surat and Galilee basins for coal exploration tender as improved coal prices renewed investment in the coal sector, Mining Weekly wrote, citing Mines Minister Anthony Lynham.

\* Kudumane Manganese Resources was forced to delay deliveries of some of its manganese ore shipments due to heavy rains in Brazil's Northern Cape region, Metal Bulletin reported. The shipments are expected to be affected until August.

\* Indonesian miner PT Kapuas Prima Coal expects to achieve a sales target of 1.1 trillion Indonesian rupiah in this year after sales tripled in the first quarter, helped by the rising price of zinc, Kontan reported.

\* The domestic coal market is improving and recent growth in international demand for coal is creating an opportunity for the U.S. to become an essential piece of seaborne markets instead of just being a swing supplier, Consol Energy Inc. CEO Jimmy Brock said on an earnings call.

\* Mexican steel manufacturer Grupo Simec SAB de CV agreed to acquire two steel production facilities in Brazil and steel wire-drawn equipment from ArcelorMittal subsidiary ArcelorMittal Brasil SA.

\* China ordered the mayors of Handan in Hebei province and Jincheng and Yangquan in Shanxi province to stop approving new projects that would add to air pollution after they failed to meet air quality targets this past winter, Reuters reported. The mayor of Handan said the city plans to close another 300,000 tonnes of steelmaking capacity, 1.1 million tonnes of coal capacity and 268 megawatts of coal-fired power by August.

## SPECIALTY

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

\* PJSC Alrosa sold 101 special size diamonds, weighing over 10.8 carats, at an auction in Vladivostok, Russia, for US\$14.8 million in revenues, Mining Weekly reported.

\* Energy Fuels Inc. closed the sale of certain noncore uranium properties in Wyoming to Uranium Energy Corp. for about US\$5.4 million in cash and shares.

\* Saint Jean Carbon Inc. inked a definitive agreement with Great Lakes Graphite Inc. to acquire historic mining property known as the Lochaber graphite claims located in Quebec.

\* 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.

## INDUSTRY NEWS

\* South African mine workers who contracted fatal lung diseases silicosis and tuberculosis from working in mines reached an out-of-court settlement. Harmony Gold Mining Co. Ltd., Anglo American PLC, African Rainbow Minerals Ltd., Sibanye Gold, AngloGold Ashanti Ltd. and Gold Fields Ltd. agreed to a collective settlement amount of about 5 billion South African rand.

\* South African President Cyril Ramaphosa said new rules governing black ownership of the country's mining sector will be completed "very soon," without giving a specific timeline, Bloomberg News reported.

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