

HD **China** Molybdenum's H1 profit soars 66% on Australian **copper** consolidation, cost cuts

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China Molybdenum Co. Ltd. has booked a 66.13% year-over-year higher net profit attributable to shareholders for the six months ended June 30, with the **company** attributing the improvement to the consolidation of its Australian **copper** business, cost reductions and investment gains.

First-half results, released Aug. 11, revealed net profit of 1.01 **billion Chinese** yuan, or 19.8 fen per basic share, compared to 604.9 **million** yuan, or 11.92 fen per basic share, for the same period in 2013.

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Operating revenue rose to 3.71 **billion** yuan during the period, from 2.69 **billion** yuan a year earlier, marking a 37.79% rise.

This was despite a drop in the average market prices of between 8% and 16% for molybdenum, tungsten, **copper** and **gold**.

China Molybdenum said its 80%-owned Northparkes **copper-gold** mine in New South Wales, Australia, which the **company** bought from Rio Tinto in the second half of 2013, experienced a smooth transition and good **operations** with a record-high volume of **mining** and processing.

In the first half of the year, the mine's cash production cost was 53 U.S. cents per pound, which contributed net profit of US\$62.1 **million**.

Additionally, costs across the molybdenum and tungsten segment were lowered through the optimization of **mining** and processing allocation, innovation in technology research and development and other measures, **China** Molybdenum said.

The first-half cash production cost of molybdenum and tungsten concentrates decreased by 16% and 8%, respectively, compared with the budget for the whole year.

Net profit was also positively impacted by the **sale** of **China** Molybdenum's 70% **stake** in Luoyang Kunyu **Mining** Co. Ltd. to Zijin **Mining** Group Co. Ltd. for 700 **million** yuan.

China Molybdenum produced 7,681 tonnes of molybdenum during the period, which was in line with the prior year at 7,662 tonnes, and sales totaled 9,870 tonnes, compared to 8,290 tonnes in the first half of 2013.

Meanwhile, tungsten production climbed to 3,649 tonnes from 3,264 tonnes a year earlier and sales rose to 3,807 tonnes from 3,533 tonnes.

Salable **copper** production totaled 21,724 tonnes, while sales reached 22,025 tonnes.

As of Aug. 11, US\$1 was equivalent to 6.16 **Chinese** yuan.

CO chmoly : China Molybdenum Co Ltd

IN imet : Mining/Quarrying | ibasicm : Basic Materials/Resources | i211 : Metal Ore Mining

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