

HD MMG lowers zinc guidance, increases copper guidance based on Q2'14 results

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Hong Kong-listed MMG Ltd. said July 17 that it is lowering its zinc production guidance and increasing its **copper** production guidance for the year.

The **company** produced 36,663 tonnes of **copper** cathode during the second quarter ended June 30, a 5% decrease when compared to the corresponding 2013 quarter. **Copper**-in-concentrate and zinc-in-concentrate production was also down 15% and 11% year over year, to 6,765 tonnes and 148,156 tonnes, respectively, while **lead**-in-concentrate production fared well with a 27% year-over-year increase to 26,794 tonnes.

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During the first half of the year, **copper** cathode production increased by 4% to 76,298 tonnes as a result of strong operational performance related to sustainable throughput and increased **copper** head grades at MMG's Kinsevere **copper**-zinc mine in the Democratic Republic of the Congo.

First-half zinc production was down 4% to 270,201 tonnes when compared to the first half of 2013, due to lower grades at the **company's** Century zinc-**lead**-silver operation in Queensland, which is in the final stages of its mine plan.

The decrease has prompted the **company** to lower its full-year zinc guidance to between 575,000 tonnes and 600,000 tonnes. The **company** had originally aimed to produce between 600,000 tonnes and 625,000 tonnes of zinc this year, as outlined in January.

"We believe the current sentiment in zinc reflects the increasing uncertainty of future supply with the market starting to factor in the closure of several large scale assets, including our own Century mine," MMG CEO Andrew Michelmoresaid in the statement.

MMG also increased its **copper** production guidance for the year, up to between 177,000 tonnes and 190,000 tonnes from 173,000 tonnes to 186,000 tonnes.

The miner also operates the Sepon **gold** and **copper** mines in Laos, the Golden Grove **copper**-zinc mine in Western Australia and the Rosebery zinc-**lead** mine in Tasmania.

In addition, MMG is undertaking a trial stoping program at its Dugald River zinc-**lead**-silver property in Queensland, and also continues to work on progressing approvals and conditions for the US\$5.85 **billion acquisition** of the Las Bambas **copper** project in Peru from Glencore Plc.

The **company** recently obtained a US\$6.96 **billion** loan to help fund the deal.

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