

HD CST Mining posts US\$61.7M annual loss as impairments, copper prices weigh

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WC 278 words

PD 25 June 2014

SN SNL Metals & Mining Daily: West Edition

SC SNLMMDW

VOL Issue: 81074

LA English

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CST Mining Group Ltd. on June 23 posted a US\$61.7 million loss attributable to owners for its fiscal year ended March 31, swinging from the US\$119.7 million profit earned in the year-ago period.

The company said that a decrease in revenue and an increase in sales costs resulted in the loss. Results for the fiscal year included a US\$60.2 million impairment on property, plant and equipment, a US\$36.2 million loss on inventories written down to net realizable value, and a US\$29.0 million impairment on available-for-sale investments.

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Driven by the depressed market price of copper, the company's revenue fell 9.1% to approximately US\$156.7 million, among which about US\$151.9 million came from the Lady Annie operation in Queensland, Australia.

Production at the Lady Annie project was reduced due to a maintenance program starting in early 2013. The company has completed the program and expects it to bring long-term benefits including cost saving to the project.

The cost of sales, including costs of direct materials and depreciation expenses, increased 14.5% to US\$144.2 million in the financial year.

The Hong Kong-listed copper producer invested US\$7.1 million in exploration, mining and development work in the last financial year.

CST Mining's revenue from property investments rose 14.8% year over year, due to stable occupancy rates and an increase in the rental rate.

The company has previously warned investors of a loss for the six months to the end of September 2013.

CO cntrdi : CST Mining Group Limited

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