



Higher copper prices here to stay - Antofagasta

Steadily growing demand from China and a dearth of new mines mean that higher copper prices are here to stay, Antofagasta claims, as it raised its dividend and posted improved profits.

The Chilean based mining group has been one of the chief beneficiaries of the rally in copper prices in recent months. The world's two largest copper mines have halted production, while commodity prices have benefited generally from supply cutbacks and the promise of renewed infrastructure spending in the US.

The company said that there was growing demand from emerging markets, principally China, while production is slowing because the grade of ore being mined is falling and few new mines are being developed.

It said in a statement that there are "wild cards of course, but these are more



likely to be positive for the copper price", pointing to the Trump administration's promise of a trillion-dollar infrastructure plan and increased risk of disruptions to supply.

Ivan Arriagada, chief executive, said that "To the extent there's more growth in the US and more public spending, that will also have an impact on commodities. But the level of intensity in commodity consumption is still driven by what's occurring in emerging markets."

China's most recent economic plan,

unveiled last year, suggested that demand would continue, he added, implying that the impact on commodity markets of the moderation in Chinese growth had been overstated.

The largest copper mine in the world, BHP Billiton's Escondida in Chile's Atacama desert, was shut down by a strike five weeks ago. Arriagada said that there had not been a deterioration in labour relations in Chile's mining sector, although a new law could add "ambiguity" to negotiations with unions.

Copper prices have risen by 24% in the past five months. The rally was not fully captured in Antofagasta's 2016 results but the company still posted pre-tax profit of \$US385 million, up from USD 243 million in 2015. On its preferred operating profit basis, profits were up 79% at USD 1.6 billion.=

Barkerville Gold inks agreement with Osisko



Barkerville Gold Mines Ltd announced that that it has entered into letter agreement with Osisko Gold Royalties Ltd whereby Osisko has agreed to purchase an additional 0.75% net smelter return royalty on the Cariboo Gold Project for a cash consideration of USD 12,500,000.

Upon completion of the Royalty Purchase, Osisko's total NSR royalty will be 2.25%. The grant of the additional royalty will cancel Osisko's royalty right which was granted pursuant to the investment agreement between Osisko and Barkerville. However, Osisko will retain a right of first refusal relating to any gold stream offer received by Barkerville with

respect to the Cariboo Gold Project.

The Royalty Purchase constitutes a "related party transaction" as defined in Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions as an insider of Barkerville is also an insider of Osisko.

Such related party transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as at the time the transaction was agreed to, neither the fair market value of the transaction, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeded 25% of Barkerville's market capitalization.

Alro posts profit after consecutive losses

Alro, the biggest aluminium producer from continental Europe registered a net profit of RON 67 million in 2016 after four years in a row of losses. The turnover of the company fell, reaching RON 2.1 billion, from RON 2.3 billion in 2015.

The adjusted net profit reached RON 101 million in 2016, compared with RON 45 million in 2015, according to news report.

Marian Nastase, the president of the administration council of Alro said that the year 2016, although was a year with an unstable macro-economic climate and a reduced level of the aluminium price at international level, represented an important year in Alro history.

He claims that the conclusion of the European Commission investigation contributed to the establishment of the company, regarding the Alro contracts with the energy producer Hidroelectrica, but also the implementation of the exemption scheme for the big energy consumers from the payment of 85 percent of the number of green certificates affiliated to the mandatory quota.