

## Zinc prices to rise in H2 - Trevali



**Z**inc prices are expected to rise in the second half as depleting mines close and zinc stocks dwindle at global commodities exchanges. Mr. Mark Cruise CEO of Canadian miner Trevali Mining said, "The closure this year of MMG's Century mine in Australia and Vedanta's Lisheen mine in Ireland will take 170,000 tonne zinc off the market, Cruise said on a conference call to discuss Q4 results. Zinc warehouse stocks have fallen to their lowest level since 2010." Mr. Cruise said that "If you look at year to date zinc, it's the only base metal that is down warehouse-wise. We're down about 20% and that would suggest that short-term, we're going to see continued declines in warehousing. We anticipate significantly strengthened zinc prices in the second half of the year." He said that Vancouver based Trevali's Santander zinc, lead and silver mine in Pasco, Peru, which registered its first full year of production in 2014, will implement efficiency measures to keep operating costs near the USD 43 per tonne posted in the Q4. Costs were lower that quarter as Trevali increased mill throughput by tapping the mine's new Rosa zone. Falling steel prices will also help cut costs at Trevali as it moves ahead with its Caribou project in Canada. Mr. Cruise said, "One quarter is good, but I'd like to see another quarter or two in that range before we kind of cement that. We're getting into where the Rosa zone intersects north particularly wide there, so you can mine lots of tons in the scheduling." He said that zinc ore grades at Santander declined to 3.65% in the fourth quarter from 4.5% the previous quarter as the company tapped a lower grade area of the Magistral North deposit. The company expects average zinc grades of 4.2% to 4.4% zinc and 1.8% to 2% lead this year.

## Hulamin to invest R300m in aluminium recycling plant



**H**ULAMIN, the Pietermaritzburg-based aluminium products manufacturer, said it would be investing R300m in aluminium recycling plant that will take used aluminium beverage cans and reprocess them back to raw metal. It said gas-fired furnaces would provide recycled aluminium to the local market, while using only a fraction of the electricity required to smelt new metal.

The R300m would be financed, in the main, by a new five-year R270m loan from Nedbank, it said.

In its results for the year ended December 2014, Hulamin reported a 96% increase in headline earnings per share to 112c compared with the year-earlier period. Operating cash flow surged by 83% to R518m and the company declared a final cash dividend of 25c per share.

Looking ahead, Hulamin said it would continue to focus on core competencies and product streams in 2015. "Our efforts to simplify the business and establish clear accountability will improve manufacturing performance and, in particular, production recoveries," the company said.

Hulamin said local market prices would be influenced by the level of imports and particularly those products that were sold into the South African market at prices lower than in the exporter's home market. Hulamin is currently cutting back 10% of its electricity consumption in terms of an agreement with both the Msunduzi municipality and Eskom. While all concerned should be commended for the co-operative approach taken, the reality is that Hulamin will lose at least 10% of production and profits if power disruptions continue," it said.

## Nalco attains highest turnover in 2014-15

**N**ational Aluminium Company (Nalco), a navaratna public sector undertaking, has achieved its highest gross turnover of Rs 7,774 crore in the financial year 2014-15 as compared to Rs 7,024 crore achieved during previous fiscal.

During the year, the gross turnover (provisional) of the Odisha-based aluminium major also surpassed the previous best performance of Rs 7,247 crore, achieved during 2012-13 fiscal, Nalcosaid in a statement.

However, export earnings of the

company declined to Rs 3,307 crore in 2014-15 as against Rs 3,719 crore earned in last fiscal, it said. Besides, Nalco generated 181 MU of wind energy during the year by operating a 50.4 MW wind power plant at Gandikota in Andhra Pradesh and another 47.6 MW at Jaisalmer in Rajasthan.

The company also commissioned 260 KWp Rooftop Solar Power System at its corporate office and township in Bhubaneswar during the year, the statement said, adding that 167 kilo unit solar energy has been generated during the year.