NORTH OF 60 MINING news

page 14 Freeman: Global trends may signal 'good things' ahead

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NEWS NUGGETS

Compiled by Shane Lasley

Weak metal prices weigh Teck profits

Teck Resources Ltd. April 21 reported first-quarter adjusted profit attributable to shareholders of C$64 million, or C11 cents per share, compared with C$105 million, or 18 cents per share, in 2014. The company attributes the lower profits to challenging commodity markets, which was partially offset by a stronger U.S. Dollar. "Our ongoing focus on cost management and operational performance, aided by the strong U.S. dollar, is enabling our diversified business to withstand the generally weak commodity price environment, allowing all of our operations to generate positive operating cash flows after our sustaining capital spending," said Teck President and CEO Don Lindsay. The company says prices for steelmaking coal have fallen further since the beginning of the year and the market for steelmaking coal remains oversupplied, primarily due to indications of weakening demand in China. Copper prices dipped sharply in the quarter but rebounded substantially towards the end of the period with prices averaging US$2.64 per pound compared with US$3.19 per pound in the previous year. Zinc was the one bright spot on the commodities front. LME zinc prices averaged US94 cents per pound in the first quarter of 2015, 2.5 percent higher than the same period last year. Zinc prices reached a low of US90 cents per pound on March 17 as global oil and commodity prices fell, but recovered to US$1.01 per pound in early April. Lead prices, however, are down 14 percent, averaging US82 cents per pound. As a result of stronger zinc prices, U.S. dollar strength and increased sale volumes from the Trail refinery in British Columbia, gross profit before depreciation and amortization for Teck's zinc unit was C$179 million, a C$58 million increase compared with results of the first three months of last year. Mill throughput at Red Dog was similar to the first quarter of 2014. Zinc grade and recoveries at the Northwest Alaska mine during the first three months of this year, however, were slightly lower than 2014, resulting in 4 percent less zinc production. Higher lead grade than 2014 was partially offset by lower recoveries, which yielded 4 percent more lead production at Red Dog.

Endurance eyes Elephant gold target

Endurance Gold Corp. April 20 said the 2013 and 2014 summer programs at its Elephant Mountain gold property in

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COEUR MINING INC.

Coeur Mining anticipates investing roughly US$16 million per year in underground development at Kensington through 2018, which will provide access to newly-found high-grade gold deposits at the Southeast Alaska gold mine.

PRODUCTION

Kensington's new plan

High-grades found at historic Jualin to provide more gold at lower costs

By SHANE LASLEY

Mining News

The Kensington gold mine in Southeast Alaska is set to produce more gold at lower costs in the coming years, according to a new plan published by owner Coeur Mining Inc.

MITCHELL KREBS

"Our recent success identifying high-grade mineralization near existing Kensington infrastructure has added higher-margin production to our mine plan and significantly improved the expected economics of the mine," Coeur Mining President and CEO Mitchell Krebs explained.

The highest grade portion of this newly found gold is located in the area of the historic Jualin Mine, which is situated about 8,250 feet from current mining in the Kensington Mine area. Since late 2013, Coeur has outlined a deposit at Jualin with gold grades that are more than triple the ore currently reporting to reserves.

Coeur hopes to begin recovering this higher grade gold by 2017. In the meantime, the new mine plan relies on Raven, another deposit with grades that exceed what has been mined at Kensington so far.

This higher margin plan for Kensington is one component of the restructuring of not only the Southeast Alaska mine, but the entire company in recent years.

"Kensington's new mine plan is expected to be a key component of the company's overall strategic repositioning that is expected to increase overall production levels by approximately 30 percent, reduce overall unit costs by approximately 25 percent, and boost the company's free cash flow to US$190 million-US$200 million in 2017."

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