
HudBay profit helped by higher gold prices

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Reuters reported that HudBay Mineral's Q3 profit raised 7 fold, as higher gold prices and lower costs helped offset the impact of lower copper production and prices.

The Canadian miner said that it earned CAD 20 million or 13 Canadian cents per share in the quarter ended September 30th 2009. That compared with a profit of CAD 2.8 million or 2 Canadian cents per share in the year before period when its results were hurt by a CAD 27 million impairment charge.

Revenue fell 21% to CAD 194.6 million as realized copper prices declined 24% and output fell 25%. Zinc production slid 8.3% while prices were flat YoY. Gold production declined 15% but sales of the metal increased and the realized price climbed 9.4%.

Unit operating costs declined due to the closure of the Chisel North mine in Manitoba and the Balmat mine in New York State which were shut late 2008 and early 2009 due to low zinc prices.

However, HudBay, whose base of operations is the Canadian province of Manitoba, said that last week it plans to restart Chisel North in early 2010. HudBay's main development assets are the Fenix nickel property in Guatemala and the Lalor zinc and gold deposit in Manitoba which has produced strong drilling results in the past 2 months that have driven the company's shares higher.

(Sourced from Reuters)

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