
HudBay to restart Chisel North mine and Snow Lake mill

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Canadian Mining Journal reported that HudBay Minerals has decided to immediately reopen the Chisel North mine and the Snow Lake concentrator which were both suspended earlier 2009. The company will spend about USD 7 million on the task with full production expected in Q2 of 2010. The mill will provide about 30,000 additional tonnes of concentrates to the Flin Flon zinc plant.

HudBay will hedge approximately 50% of the anticipated zinc production from Chisel North at an average price of USD 1.02 per lb. This move is expected to ensure profitable operation should prices drop and yet preserve opportunity to take advantage of higher prices.

The restart of the Snow Lake operations will be carried out at the same time as the commencement of the previously announced underground exploration and development of the Lalor deposit. HudBay expects the development of the ramp to the zinc rich base metals zone No 10 to take about 30 months and subject to receiving applicable regulatory approvals, produce approximately 1,200 tonnes of ore per day once completed. Production from Chisel North and the early production from Lalor will help provide a continuous feed of domestic zinc concentrate to the company's Flin Flon zinc plant until Lalor reaches full production which is expected in 2014.

(Sourced from Canadianminingjournal.com)

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