
Talvivaara Q3 loss deepens

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Reuters reported that Finnish nickel and zinc miner Talvivaara posted a deeper Q3 loss due to weak output but said that it was over the worst of its production problems.

Mr Pekka Pera CEO of Talvivaara said that "All in all, our outlook remains positive for the remainder of the year, with the most challenging production problems now behind us. While sustained ramp up of crushing according to plan continues to be critical, we remain confident that our 2010 production target of approximately 30,000 tonnes of nickel is achievable."

The London listed company, which started production in 2008, said that its loss for the three months to end September deepened to EUR 10.7 million from EUR 9.4 million in the same period of 2008.

FinnCap said that "Talvivaara's Q3 results were reassuring and in line with what the market should have been expecting adding that it believes the 2010 nickel production target can be achieved if the mine suffers no further setbacks.

The firm restarted its metals recovery plant in mid September after the circuit had been switched off for part of the quarter and said that production volumes in the Q4 are expected to be commercially significant.

Mr Pera said that Talvivaara may have to make further modifications at the plant, lasting about a week or so but does not expect these to affect production in 2010. He said that "I am very positive about 2010. It's been a struggle but the major problems are behind us now."

However, he expects to see prices for steel ingredients nickel and zinc falling about 15% in the short term. Nickel prices MNI3 in London have risen about 47% in 2009 while zinc MZN3 is up 82%. He said that "We haven't seen any sign of consumption picking up in the Western world and China doesn't need all the nickel that is produced. He added that the weak dollar may partly offset this effect.

(Sourced from Reuters)

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