
Yunhai Metals to commission magnesium alloy facility in 2008

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Interfax China reported that Shenzhen listed Nanjing Yunhai Special Metals Company Limited plans to commission a 50,000 tonne magnesium alloy facility through its wholly owned subsidiary Wutai Yunhai in Shanxi Province this year.

The report added that Wutai Yunhai kicked off trial production at the facility's 10,000 tonnes magnesium alloy line last month which will be joined by two additional 10,000 tonne lines in September.

Wutai Yunhai's initial 30,000 tonne magnesium alloy facility, along with a 3,000 tonne strontium facility, required total investment of CNY 257 million and have been financed with funds raised through Yunhai Metals' IPO completed last November. In addition, Wutai Yunhai also plans to commence trial production at a further two self-financed 10,000 tonne magnesium alloy lines at the facility in October, which requires investment of CNY 189.17 million.

Yunhai Metals estimated that Wutai Yunhai's 50,000 tonnes facility will produce 10,000 tons of magnesium alloys this year. The company produced approximately 80,000 tonnes of magnesium alloys last year and generated operating revenue of CNY 1.65 billion.

Wutai Yunhai produces magnesium alloy from magnesium limestone, and the company currently owns the mining rights to a magnesium limestone deposit with an annual capacity of 108,000 tonnes.

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