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## HudBay wants higher zinc price to reopen Chisel mine

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Mining Weekly cited Mr Peter Jones CEO of HudBay as saying that HudBay Minerals only needs to see a relatively modest increase in the price of zinc from current levels for it to consider reopening its shuttered Chisel North mine.

Chisel, which is a pure zinc producer, is one of the operations halted by HudBay when metals prices plunged late 2008.

The price of zinc rose above USD 2 per lb in 2006, but retreated since then, to fall to around USD 0.50 lb by year end of 2008. However, the metal has since regained some ground, to around USD 0.70 per lb.

Mr Jones said that “We think a 10% or a 15% increase in that price and we will be looking seriously at the potential of reopening Chisel, which can be done very quickly indeed.”

HudBay has also halted operations at the Snow Lake concentrator, which processed ore from Chisel, shut the Balmat zinc mine, in New York State and paused development of its Fenix nickel project in Guatamala.

He said that although the firm is exploring its land package around Balmat, it would take a significant increase in the zinc price for the company to consider reopening the mine itself.

The company is also exploring power-supply options which could significantly lower the cost of production at Fenix and has approved a budget of USD 13 million for exploration this year at its large Lalor zinc and gold deposits in Manitoba.

Meanwhile, HudBay continues to mine zinc, copper, gold and silver from its 777 and Trout Lake mines in Flin Flon, Manitoba, although the Trout Lake operation is expected to reach the end of its production life in 2011 or 2012. It also operates a metallurgical complex in Flin Flon, comprising a zinc/copper concentrator, a copper smelter and refinery and a high-tech zinc plant.

(Sourced from Miningweekly.com)

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