

13 June 2011

BME Weekly Copper Concentrate Report

The concentrate market remains extremely slow with very little business being reported in the last few weeks. Cerro Colorado did award one lot last week and Cananea according to an industry source put out a tender late last week that had not been awarded at the time of writing. The treatment and refining charges for the Cerro Colorado tonnage were rumoured to be around \$80 per tonne and 8 cents per lb with back pricing. Taking into account the value of the back pricing, the terms are thought to be equivalent of closer to \$110 per tonne and 11 cents per lb.

Negotiations for mid-year annual contracts (i.e. annual contracts running from July 2011 through June 2012) have continued, with little progress understood to have made. The smelters seem to have a strong position in these negotiations as concentrates are readily available and spot terms remain high. However the mines do have some ammunition with the Onahama smelter announcing operations should re-start July 1, the Ok Tedi mine being temporarily closed down due to problems with their pyrite pipeline and labour problems at El Teniente.