

→ Myra Falls ✓

- Once the complex is upgraded Xstrata plans to produce about 400,000 tonnes of contained zinc. This will add 145,000 tonnes of contained zinc to our long term zinc production forecast starting 2009.
- It should be noted that our long term production model we have McArthur River mine at 173,000 tonnes annually and currently permitting of the deposit as an open pit is uncertain.
- In the short term, the production short falls at Xstrata's operations adds to the zinc story by keeping concentrate supply tight. In the longer term, the expansion of production will help bring zinc prices down.

Other Companies

- Aur Resources Inc. (AUR) today announced record net earnings for the second quarter of US\$93.9 million (\$1.10 per share). Record Cash Flow from Operating Activities of \$151.7 million in the second quarter, an increase of 190% compared to 2005. Cash and Working Capital increased to \$498.6 million and \$424.6 million, respectively, as at June 30, 2006. Aur has made a production decision for the Andacollo Hypogene Copper-Gold Deposit, together with the commencement of production at Aur's Duck Pond copper-zinc mine this fall, will see Aur's copper production almost double over the next three years.
- Apollo Gold Corporation (APG) has entered into a joint venture with Elkhorn Tunnels in respect of the Company's Montana Tunnels Mine. The JV Agreement calls for Elkhorn to earn up to a 50% interest in the Mine by contributing \$13 million over a five-month period, starting with initial payments totaling \$1 million required to be contributed not later than two weeks after signing. The monies will be used to remediate the east wall instability problems encountered at the Mine. The remediation plan calls for the unloading of 5 million tons from the upper benches of the east wall of the Mine to mitigate rock fall hazards. In addition, 2.5 million tons of waste will be removed from the pit bottom, and the mill will commence production of lead-gold and zinc-gold concentrates in January 2007. The mine has a resource of 33 million tons of ore with gold grades of 0.016 ounces per ton; silver grades of 0.212 ounces per ton; lead grades of 0.185 % and zinc grades of 0.596 % for total gold reserve ounces of 535,900.
- Constellation Copper Corporation (CCU) updated the market with respect to the ramp-up of production of copper at the Lisbon Valley copper mine located in southeastern Utah, USA. Copper production for June and July was behind forecast, due to the compounding effects of lower than expected placement of tons at lower head grades, as reported in June, and below-budget acid and water addition on the heap. Copper produced in June totaled 975,000 pounds, and copper produced in July totaled 637,000 lbs. A new production forecast, taking into account the delay to the ramp-up schedule, estimates full production capacity of nominally 4.5 million pounds of copper monthly will be achieved in December. As a result of the foregoing, the Company now believes production will total 4.6 million pounds of in Q3'06 and 11.7 million pounds in Q4'06. Production guidance for 2007 remains unchanged at +54 million pounds of copper.
- Amerigo Resources Ltd. (ARG) reported net earnings after tax were a record US\$12,444,608 in Q206, 168% higher than earnings of US\$4,635,764 in Q205, mainly due to higher copper prices. Earnings per share were US\$0.1322 non-diluted in Q2-2006, compared to earnings per share of US\$0.0607 in Q2-2005. Cash flow from operations was US\$10,208,246 or US\$0.1084 per share in Q2-2006, compared to cash flow from operations of US\$2,202,756 or US\$0.0288 in Q2-2005. Actual cash flow was lower than earnings substantially due to an increase in accounts receivable from metal sales.
- Constellation Copper Corporation (CCU) announced additional assay results from holes drilled into the San Javier copper deposit, located approximately two hours drive east of the capital city of Hermosillo, Sonora, Mexico. The eight holes reported cut an average thickness of 117 meters grading 0.40% Cu. This compares favorably with the results of the initial seven drill holes reported in June which cut an average thickness of 123 meters grading 0.46% Cu.
- Production at the Myra Falls zinc mine in British Columbia is expected to "gradually improve" throughout the remainder of the year as a new management structure begins and operating problems are addressed. Production was hindered during the second quarter due to the lack of working areas underground, delays in improving the underground infrastructure and problems with underground equipment availability, Breakwater said. The mine produced 17,005 tonnes of zinc concentrate in Q2006 down from 26,664 tonnes in Q2005. The Myra Falls flotation plant is currently being modified to enhance selective copper flotation and to produce a separate lead concentrate. The test work indicated that this would increase copper recoveries from the current 70% range to a range of 85-90%. In turn, these modifications will enable better overall zinc recoveries in the zinc circuit and allow for production of higher grade concentrate. Construction and installation are "progressing well" and are on schedule for completion in the third quarter of 2006.

Industry

- Production at Codelco's Chuquibambilla is expected to return to normal output within three months; the company says it has adequate stocks to meet its supply commitments in the meantime.
- Chinese smelters may reduce imports of copper concentrate and lower output of refined product if miners do not agree a price participation scheme to share some of the windfall profits from high copper prices in the form of higher processing fees.
- An upgrade of mine reserves coupled with a re-optimization of mine plan has added 120,000t of contained copper at the Alumbra mine in Argentina, extending the mine life by another year to at least mid-2016. Alumbra produced 99,932t of copper in concentrate in the first half of this year, up 16% from 86,818t in the year-earlier period.

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