

# Mawson West Announces Q3 and Year to Date 2014 Financial and Operating Results

14.11.2014 | [Marketwired](#)

PERTH, AUSTRALIA--(Marketwired - Nov 14, 2014) - [Mawson West Ltd.](#) (TSX:MWE) ("Mawson West" or "the Company") advises that it has released its financial results and related Management's Discussion and Analysis ("MD&A") incorporating the three months ("the Quarter" or "Q3") and nine months (Year to Date) to 30 September 2014.

- **Year to Date production of 2,474 tonnes copper in concentrate and 176,291 ounces silver in concentrate**
- **Revised 2014 production target down to 3,000 - 4,000 tonnes copper in concentrate with C1 costs between \$4.50 - \$4.75 per pound of copper in concentrate (including silver credit)**
- **Cash balance of US\$12 million as at 30 October 2014 (unaudited)**
- **Kapulo plant commissioning underway with the first ball mill successfully energized**
- **Final construction costs reduced to \$110 million**
- **Advanced negotiations with potential strategic partners to improve the balance sheet**
- **Q3 2014 results conference call - Monday, 17 November 2014**

## Year to Date 30 September 2014 Performance

(in thousands of dollars except as otherwise noted)	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Revenue	3,331	47,783	14,426	134,990
Gross profit/(loss)	(8,402 )	7,564	(16,407 )	35,094
Profit/(Loss) after income tax	(11,781 )	775	(91,070 )	13,717
Realised copper price (\$/tonne)	6,944	7,007	6,828	7,329
Copper production (tonnes)	852	6,006	2,474	16,392
Copper sales (tonnes)	476	5,804	2,288	15,778
Silver sales (ounces)	28,369	565,198	112,260	1,358,540
C1 cost per pound (\$)	5.38	0.71	4.71	0.61

## Operational

- Ore haulage from the underground sub-level cave draw points has continued to improve throughout the Quarter. The development of the next production level on 770RL is essentially complete and production from this level is scheduled to commence in November 2014. Operations continue to focus on developing the third production level on the 750RL, together with continued development of the decline below the current 738RL.
- Production for the Quarter totaled 852 tonnes of copper in concentrate and 44,954 ounces of silver in concentrate. A total of 32,603 tonnes of ore, at a head grade of 2.98% copper and 50 g/t silver, was processed.
- Year to date, production totaled 2,474 tonnes of copper in concentrate and 176,291 ounces of silver in concentrate. A total of 120,219 tonnes of ore, at a head grade of 2.58% copper and 55 g/t silver, was processed.

- C1 costs were \$5.38 per pound of copper in concentrate produced (\$5.69 excluding silver credit) during the Quarter. Year to Date, C1 costs were \$4.71 per pound of copper in concentrate produced (\$5.05 excluding silver credit).
- As a result of the challenges encountered at Dikulushi, production guidance for 2014 has been revised downward to a range of 3,000-4,000 tonnes copper in concentrate at a cash cost ranging between \$4.50 - \$4.75 per pound of copper in concentrate (including silver credit).

Mawson West Chief Executive, Bruce McFadzean said: *"Production at Dikulushi was well below expectations for the Quarter due to lower grades of ore processed arising from the underground cave interface with the open pit, which led to increased dilution. However, as mining progresses at depth, the impact of the open pit and underground interface is expected to reduce and as a result we expect grades to increase. Nonetheless we have revised our guidance in light of these results."*

## Development

- Construction activities at the Kapulo project continued during the Quarter, with cumulative construction expenditure totaling \$96 million (including owner's costs but before exploration and evaluation, pre-stripping and funding costs).
- Revised forecast total construction expenditure of approximately \$110 million (including owner's costs but before exploration and evaluation, pre-stripping and funding costs), a reduction of approximately US\$14 million from previous estimates. Construction capital costs have been reduced as a result of scope changes, construction efficiencies, productivity improvements, reduced manufacturing and installation costs.
- Front-end construction of the plant from the crusher to the crushed ore stockpile is now complete and electrical and mechanical commissioning has commenced.
- The grinding circuit electrical and instrumentation is also complete. The first ball mill has completed an initial commissioning run in mid-November 2014. In the wet plant, the flotation cells have been installed, as well as the filter press and thickeners.
- Flotation cell piping and electrical cabling installation continues on schedule. Diesel generation units, transformers and MCC's have been commissioned and are now energized. The raw water, process water, potable water tanks and supply systems have been installed and the tailings storage facility is scheduled for completion in mid-November 2014. The raw water dam is complete.
- The Kapulo Mineral Reserve update on track for release at the end of November 2014.

Mawson West Chief Executive, Bruce McFadzean said: *"We continued to advance construction of the Kapulo project during the Quarter whilst also reducing upfront capital of the project. During October, commissioning of the process plant commenced and in the past week, the first ball mill completed its initial commissioning run. We expect first ore to be processed in December 2014."*

## Exploration and Resource Definition

- During the Quarter, a total of \$1.0 million was spent on exploration and resource definition. For the year to date, total expenditure was \$2.7 million.
- Drilling from underground targeting upgrades to the Dikulushi Mineral Resource continued during the Quarter. Results to date support the current Inferred Mineral Resources and provide the opportunity to convert to higher confidence categories at similar widths and grades.

Mawson West Chief Executive, Bruce McFadzean said: *"Despite recent challenges, we see great opportunities at Dikulushi and the results of the recent underground drilling program which we announced on 4 November 2014 underpin this quality asset. We look forward to updating the market on further progress."*

## Subsequent Events

- On October 17, 2014, the Company announced that Ms. Susie Corlett had stepped down as a director of the Company in order to devote more time and attention to other business interests of Pacific Road Capital Management Pty Ltd.
- Subsequent to the Quarter end, the Company commenced commissioning of the Kapulo Project and pre-stripping of the Shaba open pit.
- In light of the working capital challenges associated with concurrently ramping up two operations and the near term copper price outlook, the Company is engaged in advanced negotiations with potential strategic partners to improve its balance sheet and provide opportunities for growth. At this stage, there is no assurance that any binding agreement will be concluded.

## **Conference Call**

Mawson West will host a Q3 and Year to Date 2014 results conference call on Monday, 17 November 2014 at 9.00am (North American Eastern Standard Time) (2.00pm London; 10pm Perth; 1am (18 November) Sydney).

Chief Executive Officer and Managing Director, Bruce McFadzean, and Chief Financial Officer, Mark Di Silvio will discuss the Company's financial and operating results for the Quarter, followed by questions from analysts and shareholders.

Interested parties may access the conference call by using the following dial-in numbers.

- Australia: 1800 268 560
- New Zealand: 0800 466 125
- Hong Kong: 800 900 431
- Malaysia: 1800 817 142
- Japan: 0800 805 0675
- China: 800 803 6213
- Singapore: 800 616 2330
- South Korea: 0079 8612 1013
- United States: 1855 886 6310
- United Kingdom: 0808 234 7273
- International: +61 2 8047 9300

Participant PIN Code: 971520#

Please connect approximately 10 minutes prior to the beginning of the call.

A recorded playback of the conference call can be accessed from the below web address after the event: <http://www.mawsonwest.com/irm/content/webcasts.aspx?RID=317>.

## **About Mawson West**

Mawson West is a copper and silver-focused resource company listed on the Toronto Stock Exchange (TSX) and based in Perth, Australia.

The Company's two key projects are the Dikulushi copper-silver mine and the Kapulo copper mine located in the Katanga province in South Eastern Democratic Republic of Congo (DRC). Mawson West also continues to focus on exploring multiple prospective targets located within its significant land holding of approximately 7,300km<sup>2</sup> in the DRC's rich copper belt.

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