

Roxgold Reports Strong Cash Flow and Production Performance In 2018

26.03.2019 | [CNW](#)

TORONTO, March 26, 2019 - [Roxgold Inc.](#) ("Roxgold" or the "Company") (TSX: ROXG) (OTC: ROGFF) today reported quarter and full year financial results for the period ended December 31, 2018.

For complete details of the audited Condensed Consolidated Financial Statements and associated Management's Discussion and Analysis please refer to the Company's filings on SEDAR (www.sedar.com) or the Company's website (www.roxgold.com). All amounts are in U.S. dollars unless otherwise indicated.

1. Highlights

During the year ended December 31, 2018, the Company:

Safety

- Strong safety record maintained with a 12-month rolling lost time injury frequency rate ("LTIFR") of 0.39 per one million hours worked;

Operations

- Achieved increased production of 132,656 ounces (126,990 ounces in 2017), exceeding the upper limit of the incremental production guidance range 120,000 to 130,000 ounces;
- Sold 133,030 ounces of gold¹ for a total of \$169.2 million in gold sales¹ in 2018 (126,555 ounces and \$159.4 million in 2017);
- Achieved a below guidance cash operating cost² of \$426 per ounce produced for a total cash cost² of \$485 per ounce sold and an all-in sustaining cost² of \$740 per ounce sold at the bottom end of the guidance range;
- Reduced operating costs per tonne processed² by 12% compared to the prior year;

Financial

- Higher EBITDA² of \$82.4 million in 2018 compared to \$67.0 million in 2017;
- Achieved strong EBITDA margin² of 49% in 2018 compared to 42% in 2017;
- Generated improved cash flow from mining operations² totalling \$88.8 million for cash flow from mining operations per share of \$0.24 (C\$0.31/share);
- Maintained a strong balance sheet with a net cash position² of \$22 million;
- Generated a strong return on equity² of 23%;

Growth

- Completion of Bagassi South project on schedule and approximately 10% or \$2.8 million under budget;
- Announced the intention to acquire Séguéla gold project in Côte d'Ivoire from Newcrest Mining in February 2019.

During the quarter ended December 31, 2018, the Company:

- Mined 88,277 tonnes and achieved a record quarterly mill throughput of 82,241 tonnes;
- Produced 25,844 ounces of gold and sold 26,260 ounces for gold sales totalling \$32.3 million;
- Achieved a low cash operating cost² of \$432 per ounce produced for a total cash cost² of \$490 per ounce sold and an all-in sustaining cost² of \$836 per ounce sold;
- Generated cash flow from mining operations² totalling \$13,690,000 for cash flow from mining operations per share of \$0.05 (C\$0.05/share).

John Dorward, President and Chief Executive Officer of Roxgold commented, "2018 marked yet another significant year for Roxgold. We achieved several milestones including beating our production and cost guidance for the second consecutive year, resulting in strong cash flow generation and delivering a high return on equity for shareholders. We have also delivered on our growth objectives by completing our internally-funded Bagassi South expansion project, both on schedule and under-budget, providing accretive growth to our production profile. As a result of our disciplined approach to capital management, we have ended the year with a strong balance sheet while continuing to reduce debt. In looking ahead to 2019, we expect to have a strong year in which we are forecasting production to be between 145,000 and 155,000 ounces of gold. We also look forward to adding to our growth pipeline from our on-going exploration activities at Yaramoko and through our Séguéla gold project acquisition."

2. 2018 ACHIEVEMENTS

In 2018, the Company's main operational focus was to achieve annual gold production at its Yaramoko gold mine between the range of 120,000 and 130,000 ounces (increased from 110,000 to 120,000 ounces) while being a low-cost producer by maintaining a cash operating cost² at \$450-\$475 and an all-in sustaining cost² at \$740-\$790.

Roxgold exceeded the upper limit of the increased guidance range with gold production of 132,656 ounces in 2018. Cash operating cost² of \$426 was below guidance and all-in sustaining cost² of \$740 was at the low end of guidance.

On December 13, 2018, the Company announced the completion of the Bagassi South Project under budget and on schedule with the successful practical completion of its process plant expansion. The project was approximately 10% under budget or \$2.8 million under budget. The plant expansion increases capacity by nearly 50% from 270,000 tonnes to 400,000 tonnes per annum. Mine development has commenced at Bagassi South where first development ore was delivered to the ROM pad in October 2018 on schedule. The ramp up of the mine has continued throughout the first quarter of 2019, with commercial production expected to be achieved in second quarter of 2019.

3. 2019 OUTLOOK

- Gold production between 145,000 and 155,000 ounces;
- Cash operating cost² between \$440 and \$470/ounce;
- All-in sustaining cost² between \$765 and \$795/ounce;
- Exploration budget of \$10-\$12 million.

In 2019, Yaramoko is expected to produce stronger quarters in Q3 and Q4 due to the Bagassi South mine commencing stoping operations during Q2 2019.

4. MINE OPERATING ACTIVITIES

	Year ended December 31 2018	Year ended December 31 2017
Operating Data		
Ore mined (tonnes)	351,689	319,855
Ore processed (tonnes)	307,591	266,599
Head grade (g/t)	13.5	15.3
Recovery (%)	98.6	98.9
Gold ounces produced	132,656	126,990
Gold ounces sold ¹	133,030	126,555
Financial Data (in thousands of dollars)		
Revenues & Gold sales ¹	169,172	159,414
Mining operating expenses	(57,270)	(55,681)
Government royalties	(7,529)	(6,443)
Depreciation and depletion	(34,926)	(30,152)
Statistics (in dollars)		
Average realized selling price (per ounce)	1,272	1,260
Cash operating cost (per ounce produced) ²	426	438
Cash operating cost (per tonne processed) ²	184	208
Total cash cost (per ounce sold) ²	485	491
Sustaining capital cost (per ounce sold) ²	196	202
Site all-in sustaining cost (per ounce sold) ²	683	692
All-in sustaining cost (per ounce sold) ²	740	740

A. Health and safety performance

Safety is a core value at Roxgold. The Company believes that every individual working for the Company or visiting Roxgold's premises should be able to return safely and without injury to their home at the end of the day. The team at the Yaramoko gold mine exhibit their commitment to safety daily through their activities with toolbox meetings, departmental reviews and frequent task safety analyses.

There was one Lost Time Injury ("LTI") incident in 2018. The LTI was suffered by a drilling contractor's employee and marked the first LTI incident at Yaramoko since the commencement of gold production in April 2016. This led to a 12-month rolling LTIFR of 0.39 per one million hours worked.

B. Operational performance

The Company's gold production in 2018 increased by 4% to 132,656 ounces compared to 126,990 ounces in 2017. The increased gold production was driven by continued improved operating performance in both the mine and processing plant.

During 2018, 351,689 tonnes of ore at 11.7 g/t were extracted from the underground mine along with completing 5,826 metres of development compared to 319,855 tonnes of ore at 13.6 g/t and 6,819 metres of development in 2017.

The mining tonnage increase of 10% was due to more areas available to extract ore and additional equipment increasing productivity. During 2018, approximately 92% of ore produced came from stoping activities which is a result of the extensive development that is in place at Yaramoko.

In 2018, decline development at the mine reached the 4913 level, approximately 400 metres below surface. Ore development was completed between the 5049 and 4913 levels. The mine continues to be well positioned to meet future production requirements with developed reserves for stoping in line with the Company's 18 months planned stoping objectives.

Reconciliation of mined material against the Company's Resource model and Grade Control model was within the expected range. The Grade Control model to actual mined shows slightly more ounces produced, driven by marginally more tonnes produced. The Resource model is also performing within the limits of the resource classification. An updated Resource model will be issued in Q2 2019, incorporating an additional 41,000 metres of infill and deep drilling.

The plant processed a record 307,591 tonnes at an average head grade of 13.5 g/t in 2018 compared to 266,599 tonnes of ore at 15.3 g/t in 2017. This 15% increase is a result of ongoing optimisation at the plant and translates into a unit throughput rate which is 14% above nameplate capacity. Plant availability was 95.4% and overall recovery was 98.6% in 2018 compared to 96.0% and 98.9% respectively for the prior year.

C. Financial Performance

Gold sales¹ in 2018 totalled \$169,172,000 from 133,030 ounces of gold¹. During this period, the Company's average realized gold price was \$1,272 per ounce sold compared to an average market gold price for 2018 of \$1,268 per ounce.

The Company continued to extract cost and volume efficiencies with the cash operating cost² per tonne processed reducing by 12% compared to the prior year (\$184 per tonne in 2018 compared to \$208 per tonne in 2017).

The cash operating cost² per ounce produced totalled \$426 per ounce for the period compared to \$438 per ounce in the prior year and below the lower-end of the 2018 guidance range of \$450-475 per ounce produced. The total cash cost² per ounce sold of \$485 compared to \$491 in 2017. As a result, the Company achieved a site all-in sustaining cost² of \$683 per ounce sold and an all-in sustaining cost² of \$740 per ounce sold representing the low end of the 2018 guidance. Consequently, the Company generated a mining operating margin² of \$787 up 2% from \$769 per ounce in 2017.

The Company invested \$26,040,000 in underground mine development during 2018 compared to \$25,515,000 for the comparable period in 2017. During 2018, the Company also completed the Bagassi South Project under budget and on schedule with the successful practical completion of its process plant expansion.

The Company generated strong cash flow from mining operations² of \$88,824,000 in 2018, for cash flow from mining operations per share² of \$0.24 (C\$0.31/share). Comparatively, the Company generated cash flow from mining operations² of \$83,944,000 and \$0.23 cash flow from mining operations per share² in the prior year.

5. CORPORATE AND SOCIAL RESPONSIBILITY ACTIVITIES ("CSR")

A. 2018 highlights

Roxgold has established a collaborative and participative approach with its stakeholders, ensuring the creation of shared values for the local communities while building a recognized reputation as a responsible mining company. In 2018, the key areas of activity have included community investment, community health and safety, cultural heritage and road infrastructure development, along with socio-economic development to enhance local procurement and employment opportunities.

The Company's main program, the community investment program, aims to improve the education, health, water and sanitation and economic development of the host communities with the financial support of projects that originate from the local communities themselves. There were 31 projects submitted, selected and implemented by the community, which include the following:

- Support for the opening of a municipal occupational training center;
- Infrastructure improvements to the Koho medical center;
- School construction addition of 7 classrooms in the neighbouring villages;
- Installation of two new boreholes in nearby villages;
- Development of Bagassi electrification system.

Along with the Environmental and Social permitting process undertaken in the past two years for the mine extension project at Bagassi South, Roxgold has strengthened its relationship with the community through the identification of additional future shared benefit opportunities in community investment projects, local employment and local procurement.

In collaboration with the Canadian project West Africa Governance & Economic Sustainability in Extractive Areas (WAGES) managed by the CECI and WUSC organizations, the Company has worked on local supplier capacity building and the training of 30 youths from local villages in agricultural machinery mechanics and solar electrification installation and maintenance.

Roxgold was also the proud recipient of the 2018 Best Corporate Social Responsibility Award at the West Africa Mining Activities Week (SAMAOW) gala ceremony, recognizing Roxgold's excellence and leadership in community engagement and environmental responsibilities in Burkina Faso.

B. 2019 CSR program

Based on the success of the previous years, the 2019 Corporate Social Responsibility will focus on the continuous improvement of the existing programs. For example, Roxgold will reinforce the collaboration with local stakeholders adding new communication activities and extending the engagement of the youth in the nearby villages to maximize the transparency and the community benefits from the Company's operation. In summary, these 2019 programs aim to achieve the following:

- Employees: taking care of our people ensuring their safety;
- Community: building trust and make a lasting contribution; and
- Environment: ensuring proactive stewardship and value creation.

6. EVENTS SUBSEQUENT TO DECEMBER 31, 2018

On February 11, 2019, the Company announced that it has entered into an agreement with Newcrest West Africa Holdings Pty Ltd ("Newcrest") to acquire a portfolio of 11 exploration permits in Côte d'Ivoire, which includes the Séguéla gold project for total upfront consideration of US\$20 million upon closing with a further payment of \$10 million upon first gold production from the subject land package.

Post completion, the Company intends to undertake a drilling program focusing on the Antenna deposit and surrounding satellite opportunities. An updated resource statement for the Antenna deposit will also be

prepared as well as the commencement of a preliminary economic assessment study in Q2 2019.

On March 13, 2019, the Company purchased 4,949,000 common shares at an average price of C\$0.84 per share representing a significant portion of its normal course issuer bid ("NCIB") previously announced on April 30, 2018. The NCIB allows for the purchase of up to 10,000,000 common shares for cancellation. To date, the Company has purchased 5,612,300 common shares under the NCIB.

7. REVIEW OF ANNUAL 2018 FINANCIAL RESULTS

A. Mine operating profit

During the year ended December 31, 2018, revenues totalled \$168,859,000 (2017 - \$159,414,000) while mine operating expenses and royalties totalled \$57,270,000 (2017 - \$55,681,000) and \$7,529,000 (2017 - \$6,443,000), respectively. The increase in sales is primarily due to increase in production driven by higher throughput and higher average realized gold price. During the year, the Company achieved total cash cost² per ounce sold of \$485 and a mining operating margin² of \$787 per ounce sold.

For more information on the cash operating costs² see the financial performance of the Mine Operating Activities section in the Company's 2018 MD&A.

During 2018, depreciation totalled \$34,926,000 compared to \$30,152,000 in 2017. The increase in depreciation is a result of the Company's continued investment in the underground development combined with a higher throughput in our processing facility.

B. General and administrative expenses

General and administrative expenses totalled \$5,336,000 for the year ended December 31, 2018 period compared \$4,627,000 for the corresponding period in 2017. The increase was primarily due to increase in corporate development related costs.

C. Sustainability and other in-country costs

Sustainability and in-country costs totalled \$2,245,000 for the year ended December 31, 2018, respectively compared to \$1,612,000 for the comparative period. The increase in expenditures correspond to the increased community projects associated with the Bagassi South project. These expenditures are incurred as part of Roxgold's commitment to responsible operations in Burkina Faso including several sustainability and community projects.

D. Exploration and evaluation expenses ("E&E")

Exploration and evaluation expenses totalled \$8,019,000 in 2018 compared to \$12,757,000 in 2017. In 2018, there were several drilling programs focused on 55 Zone, Bagassi South and regional areas within the Yaramoko permit for a total of 91,500 metres compared to the 2017 drilling program which was focused around the Bagassi South area for a total of 23,535 metres of drilling.

The 55 Zone program commenced in April 2018 and successfully completed 41,000 metres of drilling. The program focused on the extension and infill diamond drilling with the objective of upgrading inferred to indicated at depth and improving the definition of high-grade shoots. Drilling costs totalling \$6,375,000 related to converting resources to reserve or to extend the existing resource body have been capitalized in accordance with the Company's accounting policy as future economic benefits are expected.

E. Share-based payment

Share-based payments totalled \$1,945,000 in 2018 compared to \$2,522,000 in 2017. The reduction is due to

the Company not issuing any stock options in 2018 compared to 2017 and cancellation of unvested share awards related to employee turnover within the Company.

F. Financial income (expenses)

Net financial expense totalled \$7,876,000 in 2018 compared to \$14,215,000 in 2017. The decrease is mainly attributed to the change in the fair value of the Company's gold forward sales contracts, reduction of interest expense on our long-term debt and the charges in the Company's foreign exchange gain (loss).

G. Current and deferred income tax expense

The current income tax expense is due to the Company's past cumulative losses being fully utilized in 2018. The deferred income tax expense is due to the recognition of the deferred income tax liability as the Company is making a profit from its operations in Burkina Faso.

H. Net income & EBITDA

The Company's net income and EBITDA² in 2018 was \$36,105,000 and \$82,360,000, respectively. This represents an increase of 55% and 23% respectively compared to 2017. The higher net income also increased the Company's earnings per share to \$0.09 in 2018 compared to \$0.05 per share in 2017.

I. Income Attributable to Non-Controlling Interest

For the year ended December 31, 2018, the income attributable to the non-controlling ("NCI") interest was \$4,205,000. The Government of Burkina Faso holds a 10% carried interest in Roxgold SANU SA and as such is considered Roxgold's NCI. The NCI attributable income is based on IFRS accounting principles and does not reflect dividend payable to the minority shareholder of the operating legal entity in Burkina Faso.

8. CONFERENCE CALL AND WEBCAST INFORMATION

A webcast and conference call to discuss these results will be held on Wednesday, March 27, 2019, at 8:30AM Eastern time. Listeners may access a live webcast of the conference call from the events section of the Company's website at www.roxgold.com or by dialing toll free 1-888-231-8191 within North America or +1-647-427-7450 from international locations.

An online archive of the webcast will be available by accessing the Company's website at www.roxgold.com. A telephone replay will be available for two weeks after the call by dialing toll free 1-855-859-2056 and entering passcode 2888547.

Notes:

- ¹ For the period ended December 31, 2018, gold ounces sold, and gold sales include pre-commercial production ounces sold of 251 ounces and revenues of \$313,000. The pre-commercial production gold sales and mining operating expenses were accounted against Property, Plant and Equipment.
- ² The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results. Please refer to note 17 "Non-IFRS financial performance measures" of the Company's MD&A dated March 26, 2019, available on the Company's website at www.roxgold.com or on SEDAR at www.sedar.com for reconciliation of these measures.

Qualified Persons

Iain Cox, FAusIMM, Interim Chief Operating Officer for [Roxgold Inc.](#), a Qualified Person within the meaning of National Instrument 43-101, has verified and approved the technical disclosure contained in this news release.

Paul Weedon, MAIG, Vice-President, Exploration for [Roxgold Inc.](#), a Qualified Person within the meaning of National Instrument 43-101, has verified and approved the technical disclosure contained in this news release. This includes the QA/QC, sampling, analytical and test data underlying this information. For more information on the Company's QA/QC and sampling procedures, please refer to the Company's Annual Information Form dated December 31, 2018, available on the Company's website at www.roxgold.com and on SEDAR at www.sedar.com.

For further information regarding the Yaramoko Gold Mine, please refer to the technical report dated December 20, 2017, and entitled "Technical Report for the Yaramoko Gold Mine, Burkina Faso" (the "Technical Report"), available on the Company's website at www.roxgold.com and on SEDAR at www.sedar.com.

About Roxgold

Roxgold is a gold mining company with its key asset, the high grade Yaramoko Gold Mine, located on the Houndé greenstone belt in Burkina Faso, West Africa. The Company is focused on pursuing accretive growth opportunities and recently announced its intention to acquire the Séguéla gold project and additional exploration permits located in Côte d'Ivoire. Roxgold trades on the TSX under the symbol ROXG and as ROGFF on OTC.

This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws ("forward-looking statements"). Such forward-looking statements include, without limitation: statements with respect to Mineral Reserves and Mineral Resource estimates (including proposals for the potential growth, extension and/or upgrade thereof and any future economic benefits which may be derived therefrom), the timing and delivery of any future updated resource models, any future NCIB purchases, proposed 2019 proposed corporate social responsibility activities, anticipated receipt and maintenance of permits and licenses, future production and life of mine estimates, production and cost guidance, anticipated recovery grades, and potential increases in throughput, the anticipated increased proportion of mill feed coming from stoping ore, future capital and operating costs and expansion and development plans including with respect to the 55 Zone and Bagassi South, and the expected timing thereof (including with respect to the delivery of ore and future stoping operations), proposed exploration plans and the timing and costs thereof, the proposed acquisition of the Séguéla property and other permits and any future potential gold production therefrom, the anticipated operations, costs, proposed funding, timing and other factors set forth in the Technical Report, and sufficiency of future funding. These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Forward-looking information contained in this news release is based on certain factors and assumptions regarding, among other things, the estimation of Mineral Resources and Mineral Reserves, the completion of proposed acquisitions as presently anticipated or at all, the realization of resource estimates and reserve estimates, gold metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials to continue to explore and develop the Yaramoko Gold Project in the short and long-term, the progress of exploration and development activities as currently proposed and anticipated, the receipt of necessary regulatory approvals and permits, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters, as well as assumptions set forth in the Company's technical report dated December 20, 2017, and entitled "Technical Report for the Yaramoko Gold Mine, Burkina Faso" available on the Company's website at www.roxgold.com and SEDAR at www.sedar.com. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include: changes in market conditions, unsuccessful exploration results, possibility of project cost overruns or unanticipated costs and expenses, inability to satisfy closing conditions for proposed acquisitions, changes in the costs and timing of

the development of new deposits, inaccurate reserve and resource estimates, changes in the price of gold, unanticipated changes in key management personnel, failure to obtain permits as anticipated or at all, failure of exploration and/or development activities to progress as currently anticipated or at all, and general economic conditions. Mining exploration and development is an inherently risky business. Accordingly, actual events may differ materially from those projected in the forward-looking statements. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

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