

Mako Mining Provides Q1 2023 Financial Results

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VANCOUVER, May 29, 2023 - [Mako Mining Corp.](#) (TSXV:MKO)(OTCQX:MAKOF) ("Mako" or the "Company") is pleased to provide financial results for the three months ended March 31st, 2023 ("Q1 2023"), which is the seventh full quarter of financial results since declaring commercial production on July 1, 2021 at its San Albino gold mine ("San Albino") in northern Nicaragua. For detailed Q1 2023 operating results, please see the Company's press release dated May 12th, 2023. All dollar amounts referred to herein are expressed in United States dollars unless otherwise stated.

Q1 2023 Highlights

Financial

- \$15.9 million in Revenue
- \$7.6 million in Adjusted EBITDA⁽¹⁾
- \$8.3 million in Mine Operating Cash Flow ("Mine OCF") ⁽¹⁾ ⁽³⁾
- \$1.4 million in Net Income after \$3.7 million of depreciation, depletion⁽⁴⁾ and amortization and \$0.7 million in exploration expenses
- \$793 Cash Costs (\$/oz sold) ⁽¹⁾ ⁽²⁾
- \$852 Total Cash Costs (\$/oz sold) ⁽¹⁾ ⁽²⁾
- \$1,410 All-In Sustaining Costs ("AISC") (\$/oz sold) ⁽¹⁾ ⁽²⁾ which includes the largest and final full quarter of deferred stripping cost (436 \$/oz sold) to access the high-grade portion of the West Pit (Phase 3)
- Three monthly repayment installments totaling \$1.1 million were made on the Sailfish Loan during Q1 2023

⁽¹⁾ Refers to a Non-GAAP financial measure within the meaning of National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"). Refer to information under the heading "Non-GAAP Measures" as well as the reconciliations later in this press release.

⁽²⁾ Refers to a Non-GAAP ratio within the meaning of NI-52-112. Refer to information under the heading "Non-GAAP Measures" later in this press release.

⁽³⁾ Refer to "Chart 1 - Q1 2023 - Mine OCF Calculation and Cash Reconciliation (in \$ millions)" for a reconciliation of the beginning and ending cash position of the Company, including OCF.

Growth

- \$0.7 million in exploration and evaluation expenses (\$0.3 million in areas surrounding San Albino and \$0.4 million at Las Conchitas). Exploration expense was lower than previous quarters as the Company has entered the resource estimation phase at Las Conchitas while preparing a discovery drilling program at La Segoviana which began in Q2 2023.

Subsequent to March 31st, 2023

- On April 5, 2023, and on May 3, 2023, the Company delivered 16,328 and 16,552 oz of silver in lieu of \$0.4 million and \$0.4 million cash, respectively.
- On May 12, 2023, the Company granted 540,000 stock options to certain directors, officers, employees and consultants of the Company. Each stock option is exercisable at a price of C\$2.13 for one common share in the Company for a period of five years, vesting in four equal installments over a period of three years, with the first 25% vesting on the date of grant.

The Company also granted 38,829 restricted share units ("RSU") to officers of the Company. Each RSUs will vest 50% on the grant date, 25% on the sixth month anniversary of the grant date and 25% on the second anniversary. Once vested, each RSU is exercisable into one common share entitling the holder to receive

the common share for no additional consideration.

- On May 25, 2023, the maturity date of the Wexford Loan was extended from March 31, 2024 to March 31, 2025.
- On May 25, 2023, the Company entered into a silver stream agreement with Sailfish, whereby Sailfish will advance \$6 million for the delivery of 13,500 ounces of silver, produced at the San Albino mine, per month for a period of 24 months. Sailfish also has the option to purchase all remaining future silver production from all of the Company's concession for an additional \$1million.

Akiba Leisman, Chief Executive Officer, states that "Q1 2023 was the seventh full quarter of financial results since declaring commercial production at San Albino. Adjusted EBITDA of approximately \$7.6 million (Q1 2022 \$7.8 million) was relatively consistent year over year despite selling 859 ounces less than Q1 2022, as the Company was transitioning to high-grade Phase 3 mining of the West Pit, which commenced at the end of April 2023. Cash Costs of 793 \$/Oz sold (Q1 2022 797 \$/Oz sold) and Total Cash Costs of 852 \$/Oz sold (Q1 2022 862 \$/Oz sold) were also consistent year over year despite inflationary trends in the industry. AISC was higher at 1,410 \$/Oz sold (Q1 2022 1104 \$/Oz sold) as Q1 2023 was the last full quarter of accelerated waste development to access the high-grade portion of the West Pit Phase 3. Deferred Stripping costs were 432 \$/Oz sold (Q1 2022 42 \$/Oz sold), which will be coming down significantly now that high-grade Phase 3 mining has commenced. We are also excited that we are nearing completion of our maiden resource estimate at Las Conchitas, and that we have begun discovery drilling at La Segoviana, with initial results expected to be disclosed this week."

Table 1. Impact of Deferred Stripping on AISC

Since Q1 2022, the Company has been investing in accelerated waste development to access the high-grade portion of Phase 3 of the West Pit, which commenced at the end of April 2023. The impact per quarter on AISC has increased from 42 \$/Oz in Q1 2022 to 436 \$/Oz in Q1 2023 as a higher percentage of mining was allocated to waste development. The impact of deferred stripping cost on AISC will be substantially lower now that the high-grade extraction of Phase 3 has commenced.

Table 2 - Revenue

(1) Realized price before deductions from Sailfish gold streaming agreement.

Table 3 - Operating and Financial Data

(1) Refers to a Non-GAAP financial measure within the meaning of NI 52-112). Refer to information under the heading "Non-GAAP Measures" as well as the reconciliations later in this press release.

(2) Refers to a Non-GAAP ratio within the meaning of NI-52-112. Refer to information under the heading "Non-GAAP Measures" later in this press release

(3) Realized price before deductions from Sailfish gold streaming agreement

Table 4 - EBITDA Reconciliation

(1) Refers to a Non-GAAP financial measure within the meaning of NI 52-112. Refer to information under the heading "Non-GAAP Measures" later in this press release.

Chart 1

Q1 2023 - Mine OCF Calculation and Cash Reconciliation (in \$ millions)

(1) Refers to Non-GAAP financial measure within the meaning of NI 52-112. Refer to information under the heading "Non-GAAP Measures" later in this press release.

(2) Includes all expenses incurred to sustain operations. Excludes Nicaraguan Taxes and Royalties, changes in Non-cash Working Capital, and Exploration expenses

For complete details, please refer to the financial statements and the associated management discussion and analysis for the twelve months ended March 31st, 2023, available on SEDAR (www.sedar.com) or on the Company's website (www.makominatingcorp.com).

Non-GAAP Measures

The Company has included certain non-GAAP financial measures and non-GAAP ratios in this press release such as EBITDA, Adjusted EBITDA, Mine Operating Cash Flow cash cost per ounce sold, total cash cost per ounce sold, AISC per ounce sold. These non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. In the gold mining industry, these are commonly used performance measures and ratios, but do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's underlying performance of its core operations and its ability to generate cash flow.

"EBITDA" represents earnings before interest (including non-cash accretion of financial obligation and lease obligations), income taxes and depreciation, depletion and amortization.

"Adjusted EBITDA" represents EBITDA, adjusted to exclude exploration activities, share-based compensation and change in provision for reclamation and rehabilitation.

"Cash costs per ounce sold" is calculated by deducting revenues from silver sales and dividing the sum of mining, milling and mine site administration cost.

"Total cash costs per ounce sold" is calculated by deducting revenues from silver sales from production cash costs and production taxes and royalties and dividing the sum by the number of gold ounces sold. Production cash costs include mining, milling, mine site security and mine site administration costs.

"AISC per ounce sold" includes total cash costs (as defined above) and adds the sum of G&A, sustaining capital and certain exploration and evaluation ("E&E") costs, sustaining lease payments, provision for environmental fees, if applicable, and rehabilitation costs paid, all divided by the number of ounces sold. As this measure seeks to reflect the full cost of gold production from current operations, capital and E&E costs related to expansion or growth projects are not included in the calculation of AISC per ounce. Additionally, certain other cash expenditures, including income and other tax payments, financing costs and debt repayments, are not included in AISC per ounce.

"Mine OCF" represents operating cash flow, excluding Nicaraguan taxes and royalties, changes in non-cash working capital and exploration expenses.

On behalf of the Board,

Akiba Leisman
Chief Executive Officer

About Mako

[Mako Mining Corp.](http://www.makominatingcorp.com) is a publicly listed gold mining, development and exploration company. The Company operates the high-grade San Albino gold mine in Nueva Segovia, Nicaragua, which ranks as one of the highest-grade open pit gold mines globally. Mako's primary objective is to operate San Albino profitably and fund exploration of prospective targets on its district-scale land package.

For further information: [Mako Mining Corp.](http://www.makominatingcorp.com), Akiba Leisman, Chief Executive Officer, Telephone: 203-862-7059, E-mail: aleisman@makominatingcorp.com or visit our website at www.makominatingcorp.com

and SEDAR www.sedar.com.

Forward-Looking Information: Some of the statements contained herein may be considered "forward-looking information" within the meaning of applicable securities laws. Forward-looking information can be identified by words such as, without limitation, "estimate", "project", "believe", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" or variations thereon or comparable terminology. The forward-looking information contained herein reflects the Company's current beliefs and expectations, based on management's reasonable assumptions, and includes, without limitation, that mining of high-grade material from the Phase 3 West Pit, and permits to begin mining Las Conchitas are expected later this month, at which point the Company expects that new record production numbers should be achieved; and Mako's primary objective to operate San Albino profitably and fund exploration of prospective targets on its district-scale land package. Such forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking information, including, without limitation, changes in the Company's exploration and development plans and growth parameters and its ability to fund its growth to reach its expected new record production numbers; unanticipated costs; the October 24 measures having impacts on business operations not current expected, or new sanctions being imposed by the U.S. Treasury Department or other government entity in Nicaragua in the future; and other risks and uncertainties as disclosed in the Company's public disclosure filings on SEDAR at www.sedar.com. Such information contained herein represents management's best judgment as of the date hereof, based on information currently available and is included for the purposes of providing investors with information regarding the Company's Q1 2023 financial results and may not be appropriate for other purposes. Mako does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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