

Anvil Mining Reports Fourth Quarter and Full Year 2010 Results - Construction of the Kinsevere - Stage II 60,000 tonnes per year - SX-EW Plant now over 90% Completed

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All amounts are expressed in US dollars, unless otherwise stated.

MONTREAL, March 21 /CNW Telbec/ - [Anvil Mining Limited](#) (TSX: AVM)(ASX: AVM) ("Anvil" or the "Company") is pleased to announce the following financial and operating results for the fourth quarter and year-end ended December 31, 2010:

Fourth quarter highlights

- Net copper sales of \$15.2 million compared to \$23.5 million for the fourth quarter of 2009.
- Net income from continuing operations of \$2.3 million (\$0.01 per share), compared to \$10.9 million (\$0.09 per share) for the fourth quarter of 2009.
- Cash flows from operating activities, before working capital movements, of nil (\$0.00 per share), compared to positive cash flows of \$11.5 million (\$0.09 per share) for the fourth quarter of 2009.
- Average realized copper price of \$3.55 per pound, compared to \$3.09 per pound for the fourth quarter of 2009.
- Quarterly production of 3,817 tonnes of copper, compared to 4,970 tonnes of copper in the fourth quarter of 2009.

Full year 2010 highlights

- Net copper sales of \$60.1 million compared to \$49.2 million for 2009.
- Net income from continuing operations of \$20.0 million (\$0.13 per share), compared to net loss of \$17.7 million (-\$0.18 per share) for 2009.
- Positive cash flows from continuing operations, before working capital movements, of \$16.2 million (\$0.11 per share) compared to positive cash flows of \$0.8 million (\$0.01 per share) for 2009.
- Average realized copper price of \$3.27 per pound, compared to \$2.56 per pound for 2009.
- Production of 16,538 tonnes of copper, compared to 16,406 tonnes of copper during 2009.

Bill Turner, President and CEO of Anvil, commented, "For 2010, the Kinsevere Stage I Heavy Media Separation copper concentrate plant exceeded its 2010 production target and generated positive cash flows after operating and group expenses of approximately \$13.2 million, on sales of \$59.1 million. Construction of the Kinsevere Stage II 60,000 tonnes per year SX-EW plant is progressing on schedule and we look forward to full commissioning in the second quarter of 2011."

The full year 2010 audited financial statements and the complete fourth quarter 2010 unaudited financial statements together with the related Management's Discussion and Analysis (MD&A) are available on Anvil's website at www.anvilmining.com under the heading "Financial Reports" within the Investor Relations section.

Development: Kinsevere Stage II SX-EW Plant

The Group's focus of effort is on the completion of the final stages of construction of the Stage II 60,000

tonnes per year Solvent Extraction-Electrowinning ("SX-EW") plant, successfully commissioning the SX-EW plant during the second quarter and reaching design capacity as soon as possible later this year. The immediate priority is on continued integrity testing and pre-commissioning of the plant to confirm functionality of all of the process circuits.

As expected, construction during December and January was affected by the wet season, but solid progress has been achieved and as at the end of February 2011, the project was over 90% complete. Maintenance and operations teams are now fully established, the process shift teams have been appointed and training is being conducted at Kinsevere, aided by a pilot SX plant.

A full commissioning team is on site and commissioning work is under way. The main 33 kV high-voltage power line is now energized, enabling substations in various areas including crushing, grinding, solution ponds, SX and EW, tailings transfer and reagents services to be powered up. Commissioning of most utility systems has commenced, including: air, fire water, raw water and potable water.

Wet commissioning activities have commenced in the leach area, the CCD rake systems, flocculant make-up areas, diluent unloading and storage systems and the low-grade SX area. The acid unloading and storage facility is operational, with approximately 1,500 tonnes of 98% concentrated sulphuric acid now stored in this facility. Delivery of diluent is expected to commence during March. In addition, the anode load-up for Tank-house 1 has been completed and the cells for Tank-house 2 are in place. The commissioning of safety showers, fire hydrants and air systems in various plant areas is progressing well.

As at February 28, 2011, \$152 million of the \$200 million budget for completion of construction had been spent, \$111 million of which relates to Ausenco Engineering, Procurement and Construction (Lump Sum Turn Key) Contract (the "EPC Contract") costs and \$41 million to Owner's Costs. A further \$33 million was committed for a total spent and committed amount of \$185 million of the remaining \$200 million required to complete the \$400 million project.

Completion of construction, commissioning and ramp-up of Stage II fully funded

As at February 28, 2011, Anvil had approximately \$51.4 million in cash, all of which was held on deposit with international banks and restricted cash of \$7.8 million, the majority of which relates to cash collateral in connection with security in place under the EPC Contract.

During December 2010, the Company completed the liquidation of its available-for-sale investments for proceeds of approximately \$30.1 million. In January 2011, Trafigura Beheer B.V. ("Trafigura") exercised 6.0 million common share purchase warrants (the "Warrants") for proceeds of approximately \$16.6 million. The Company also has access to the \$100 million project loan facility (the "Loan Facility") provided by Trafigura, of which \$43 million remains undrawn as at March 17, 2011.

Given the funds available under the Loan Facility, which are being used exclusively to meet costs associated with the completion of construction of Kinsevere Stage II and additional funds received from the liquidation of the available-for-sale investments, together with Trafigura's exercise of the Warrants, the Group anticipates that it is now fully funded to take Kinsevere Stage II to construction completion, commissioning and ramp-up to full-scale production.

Kinsevere HMS Production

During the fourth quarter of 2010, the Heavy Media Separation ("HMS") plant produced 15,082 tonnes of concentrate, at an average grade of 25.4% copper for 3,817 tonnes of copper contained in concentrate. For the full year 2010, production from the HMS plant was 16,538 tonnes of copper contained in concentrate.

Key operating performance details of the HMS plant for the fourth quarter and full year 2010 are set out in the table below.

Operating Performance: Kinsevere HMS Plant		Q4 2010	Year 2010	
Ore processed - HMS plant (dmt)	88,044	303,162		
Feed grade - HMS (% Cu)	6.0	7.1		
Contained copper - HMS (tonnes)	5,319	21,398		
Recovery Cu - HMS (%)	64.5	68.3		
Concentrate produced - HMS and spirals (tonnes)		15,082	67,128	
Concentrate grade - HMS and spirals (% Cu)		25.4	24.6	
Copper produced in concentrate - HMS and spirals (tonnes)		1	3,817	16,538
Copper sold - tonnes Cu	3,803	16,866		
Average realized price - \$ / lb	3.55	3.27		
Operating cash cost (ex mine gate) - \$ / tonne concentrate			456	349

During the fourth quarter of 2010, the HMS plant generated net revenue of \$15.2 million and incurred cash operating expenses of \$8.2 million, resulting in a positive cash flow from HMS operations of \$7.0 million. After accounting for expenses of \$5.2 million related to care and maintenance of the Mutoshi mine, corporate overheads, social development and sustaining capital expenditure, operation of the HMS plant provided a positive net cash flow of \$1.8 million for the December quarter.

Restart of exploration

With the Group's focus on the completion of Kinsevere Stage II and achieving sustained positive cash flow from operation of the Stage I HMS plant at Kinsevere, there has been limited available capacity to carry out exploration activity during 2010. However, the Group has now begun to re-establish its exploration capability, targeting the following areas:

- Regional exploration in the area within a 50 kilometre trucking distance of the Kinsevere mine, with work well progressed on the identification of opportunities.
- Further drilling at Kinsevere which is expected to commence during the second quarter of 2011 aimed at fully delineating an expanded sulphide resource. Results from previous drilling at Kinsevere, amongst which, the best sulphide intersection was 272 metres of 3.2% Cu.
- A 33,000 metre in-fill drilling program at Mutoshi, which is planned to start during the fourth quarter of 2011.

Fourth Quarter and Full Year 2010 Results Conference Call and Webcast

The Company will hold a conference call at 8:30 a.m. (Canada, Toronto time) on Tuesday, March 22, 2011, coinciding with 8:30 p.m. (AWST - Australia, Perth time) on the same day, to discuss the results.

The details to access the conference call and the live audio webcast are as follows:

Conference call:

(Please call approximately five minutes prior to the scheduled start of the call).

Toll-free within North America: 1-888-231-8191
For local and overseas calling: 1-647-427-7450

Live audio webcast of the conference call (listen mode only):

- CNW Group website at:
<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=3378540> (English)
<http://www.cnw.ca/fr/webcast/viewEvent.cgi?eventID=3378540> (French)

Replay Information (available for a period of 7 days):

The conference call will be recorded and a playback of the call will be available after the event by dialling:

Toll Free: 1-800-642-1687

Local: 416-849-0833, 514-807-9274, 613-667-0035, 403-451-9481, 778-371-8506 or 902-455-3955.

Conference ID/Password number: 38509764 followed by the pound (#) key.

[Anvil Mining Limited](#) is a copper producer whose shares are traded on the Toronto Stock Exchange (as Common Shares) and the Australian Securities Exchange (as CDIs) under the symbol AVM.

Caution Regarding Forward Looking Statements:

This news release contains "forward-looking statements" and "forward-looking information", based on assumptions and judgements of management regarding future events and results. Such "forward-looking statements" and "forward-looking information" which may include, but is not limited to the operation of the Kinsevere HMS plant, the financing of the development of Kinsevere Stage II and the Company's plans for expansions of the Kinsevere copper mine. Many of these assumptions are based on factors and events that are not within the control of Anvil or Trafigura and there is no assurance they will prove to be correct. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. The purpose of forward-looking information is to provide the reader with information about management's expectations and plans for 2011. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anvil and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, the actual market price of copper, changes in project parameters as plans continue to be evaluated, and the possibility of cost overruns, as well as those factors disclosed in the Company's filed documents. There can be no assurance that the Stage II expansion of the Kinsevere copper mine will proceed as planned and within expected time limits and budgets or that, when completed, the expanded Kinsevere Stage II copper project will operate as anticipated, or that the Kinsevere Stage I HMS plant will operate in accordance with forecast performance. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking information.

Appendix

Key Financial and Production Data (unaudited)

3 Months Ended

December 31 12 Months Ended

December 31

2010 2009 2010 2009

Sales: (\$ millions)

15.2 23.5 60.1 49.2

Operating income / (loss) : (\$ millions) 2.6 8.7 8.7 (7.0)

Provision for impairment: (\$ millions) - - - (2.9)

Write back of provision for impairment of assets:

(\$ million) 4.2 8.1 9.7 4.1

Exploration expenditure written off: (\$ million) - - (1.3) (3.2)

Net Income / (loss) from continuing operations:

(\$ millions) 2.3 10.9 20.0 (17.7)

PRODUCTION STATISTICS:

Consolidated Group

Copper produced in concentrates (tonnes) 3,817 4,970 16,538 16,406

Kinsevere mine

Ore processed¹ (tonnes) 88,044 65,313 303,162 231,823

Copper grade (% Cu) 6.0 8.9 7.1 8.2

Contained copper in ore (tonnes) 5,319 5,782 21,398 19,066

Recovery Cu (%) 64.5 77.0 68.3 76.0

Copper produced in concentrates - HMS (tonnes) 3,431 4,455 14,608 14,499

Copper produced in concentrate - Spirals (tonnes) 386 515 1,930 1,907

Copper produced in concentrate - HMS and

Spirals (tonnes) 3,817 4,970 16,538 16,406

Concentrate produced - HMS and spirals (tonnes) 15,082 18,911 67,128 62,468

Costs of production (\$)

Operating cash costs per tonne of concentrate
(ex mine gate) \$/tonne 456 304 349 218

Ore processed at Kinsevere relates to ore processed through the HMS plant.

Consolidated Balance Sheets (audited)
(Expressed in thousands of United States dollars)

December 31 December 31

2010 2009

\$ \$

ASSETS

Current assets

Cash and cash equivalents 56,415 120,753

Restricted cash 7,314 -

Trade and other receivables 10,764 17,967

Inventories 14,060 14,220

Available-for-sale ("AFS") investments - 1,243

Prepaid expenses and deposits 2,224 25,899

Current assets classified as held for sale - 2,114

Derivative financial instruments 182 -

Total current assets 90,959 182,196

Non-current assets

Restricted cash 513 887

Available-for-sale investments - 16,827

Investments accounted for using the equity method 11,927 -

Deferred financing fees - 2,865

Long-term inventory 13,109 11,163

Long-term receivable 14,253 15,468

Exploration and acquisition expenditure 61,411 62,384

Property, plant and equipment 482,570 324,562

Non-current assets classified as held for sale 1,204 5,156

Total non-current assets 584,987 439,312

Total assets 675,946 621,508

LIABILITIES

Current liabilities

Trade and other payables 29,508 12,037

Derivative financial instruments - 586

Current tax liabilities 21 6

Provisions 2,634 1,712

Current portion of long-term debt 4,649 290

Current portion of liabilities directly associated with non-current assets classified as held for sale - 1,764

Total current liabilities 36,812 16,395

Non-current liabilities

Deferred tax liabilities 10,751 21,048

Other non-current liability - 6,711

Provisions 144 -

Long-term debt 31,829 74

Asset retirement obligations 13,394 12,858

Non-current portion of liabilities directly associated with non-current assets classified as held for sale - 983

Total non-current liabilities 56,118 41,674

Total liabilities 92,930 58,069

Net assets 583,016 563,439

Consolidated Balance Sheets (cont.)
(Expressed in thousands of United States dollars)

December 31 December 31

2010 2009

\$ \$

EQUITY

Equity accounts 510,289 510,347

Retained earnings 75,054 50,067

Accumulated other comprehensive income 559 2,765

Capital and reserves attributable to equity holders 585,902 563,179

Non-controlling interest (2,886) 260

Total equity 583,016 563,439

Consolidated Statements of Income and Comprehensive Income (audited)
(Expressed in thousands of United States dollars except per share amounts)

3 Months Ended

December 31 12 Months Ended

December 31

2010 2009 2010 2009

\$ \$ \$ \$

Revenue from continuing operations 15,202 23,576 60,149 49,235

Operating expenses (7,973) (9,151) (33,290) (39,779)

Amortization (4,621) (5,658) (18,111) (16,480)

2,608 8,767 8,748 (7,024)

Other income 5,188 454 7,149 1,322

Provision for impairment of assets - - - (2,876)

Write back of provision for impairment of assets 4,170 8,133 9,688 4,052

Gain / (loss) on derivative instruments 820 (586) 768 (586)

Share of loss in equity accounted investment (307) - (533) -

Exploration expenditure written off - - (1,315) (3,225)

General, administrative and marketing (4,054) (2,721) (12,607) (10,067)

Foreign exchange (losses) / gain (104) (143) 2,499 461

Stock based compensation (180) (446) (855) (1,891)

Interest and financing fees (764) (378) (2,427) (1,140)

Other expenses (3,250) - (3,250) -

Income / (loss) before income tax and non-controlling interest 4,127 13,080 7,865 (20,974)

Income tax (expense) / benefit (2,332) (2,134) 9,221 3,299

Non-controlling interest share of loss 466 - 2,886 -

Net income / (loss) from continuing operations 2,261 10,946 19,972 (17,675)

Loss from discontinued operation (789) (1,669) (896) (3,651)

Non-controlling interest share of loss - 218 - 406

Gain on sale of discontinued operation - - 5,911 -

Net income / (loss) 1,472 9,495 24,987 (20,920)

Other comprehensive income, net of taxes:

Net unrealized gains on available-for-sale investments - 268 - 2,206

Reversal of net unrealized gains on sale of available-for-sale investments (2,081) - - -

Total comprehensive income / (loss) (609) 9,763 24,987 (18,714)

Profit / (loss) per share from continuing operations:

Basic profit / (loss) per share (\$) 0.01 0.09 0.13 (0.18)

Diluted profit / (loss) per share (\$) 0.01 0.09 0.13 (0.18)

Consolidated Statement of Cash Flows (audited)

(Expressed in thousands of United States dollars)

3 Months Ended

December 31 12 Months Ended

December 31

2010 2009 2010 2009

\$ \$ \$ \$

Cash flows from operating activities

Net income / (loss) for the period from continuing operations 2,261 10,946 19,972 (17,675)

Items not affecting cash:

Amortization

4,621 5,612 18,111 16,480

Provision for impairment of assets

- - - 2,876

Write back of provision for impairment of assets

(4,170) (8,133) (9,688) (4,052)

Share of loss in Equity Accounted Investment

307 - 533 -

(Gain) / Loss on derivative instruments

(820) 586 (768) 586

Non cash finance cost

(232) 337 1,411 983

Gain on sale of assets

- - - (207)

Gain on sale of available-for-sale investments

(4,719) - (4,719) -

Exploration expenditure written off

- - 1,315 3,225

Provision for bad and doubtful debts

- (79) 450 -

Non-controlling interest share of loss

(466) - (2,886) -

Unrealized foreign exchange loss / (gain)

1,801 (255) 1,910 113

Future income tax

1,256 2,082 (10,297) (3,382)

Stock based compensation

180 447 855 1,891

Changes in non-cash working capital 8,238 (5,153) 1,466 4,468
8,257 6,390 17,665 5,306

Cash flows from investing activities

Payments for property, plant and equipment (50,216) (8,494) (138,934) (49,313)

Payment as security deposit - - (6,550) -

Proceeds from sale of assets - (265) - 869

Payments for exploration expenditure (2) (7,776) (639) (9,967)

Proceeds from sale of available-for-sale investments 30,077 159 30,077 -

Proceeds of principal repayments from investments - - 235 12,790

(20,141) (16,376) (115,811) (45,621)

Cash flows from financing activities

Proceeds from issue of shares (net of issue expenses) 293 65,091 325 124,317

Deferred borrowing costs (3,446) (2,865) (6,067) (2,865)

Movement in restricted cash (276) (149) (334) (267)

Payments of debt 42,000 - 42,000 -

Shares purchased - ESSIP - - (1,238) -

Repayments of borrowings - - (188) (319)
38,571 62,077 34,498 120,866

Consolidated Statement of Cash Flows (cont.)
(Expressed in thousands of United States dollars)

3 Months Ended
December 31 12 Months Ended
December 31
2010 2009 2010 2009

Adjustment for discontinued operations
(789) 9 (896) (4,492)

Net increase / (decrease) in cash and cash equivalents from discontinued operations
25,898 52,100 (64,544) 76,059
Cash and cash equivalents at beginning of the period 30,411 69,008 120,753 45,033
Effects of exchange rate changes on cash held in foreign currencies 106 126 206 142
Total cash and cash equivalents at end of the period 56,415 121,234 56,415 121,234
Less cash and cash equivalents at the end of the period relating to discontinued operations - (481) - (481)
Cash and cash equivalents at the end of the period for continuing operations 56,415 120,753 56,415
120,753

For further information:

[Anvil Mining Limited](#)

Philippe Monier, Vice President Corporate & CFO
Tel: +61 (8) 9481 4700
Email: philippem@anvilmining.com (Perth)

Robert La Vallière, Vice President Corporate Affairs
Tel: (Office) +1 (514) 448 6664, (Cell) +1 (514) 944 9036
Email: robertl@anvilmining.com (Montréal)
Website: www.anvilmining.com

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