

Energold Announces Record Revenue and Increased Margins in First Quarter 2011

30.05.2011 | [The Newswire](#)

May 30th, 2011 Copyright (c) 2011 Thenewswire.ca - All rights reserved.

(via Thenewswire.ca)

[Energold Drilling Corp.](#) (EGD: TSX.V) ("Energold" or "the Company") is pleased to announce continued strong demand for contract drilling services resulting in record revenues of \$22.7 million, up 181% from \$18.1 million for the first quarter of 2010. The Company recorded another profitable quarter of \$1.9 million in consolidated net earnings, as compared to a \$1.3 million net loss in the same period of 2010. This included a first quarter loss of \$0.6 million from its recent manufacturing acquisition of Dando Drilling International Ltd. ("Dando"), due, in part, to certain non-recurring costs. Gross margins improved to 28.3% in the first quarter, compared to 14.7% in the comparative quarter in 2010 and 18.6% in the prior quarter.

Traditionally, the first quarter is considered one of the slowest quarters of the drilling cycle; however, the Company drilled a new record of 125,800 meters, up 132% from 54,300 meters drilled in the same period of 2010, and up 22% from the prior quarter (see Energold news release dated May 12 2011). The previous record number of meters drilled in any quarter was 103,400 meters recorded in the fourth quarter of 2010.

The Company remains in excellent financial position with a working capital position of \$63.8 million and cash and cash equivalents of \$22.4 million and no long-term debt. The Company's balance sheet strength also does not reflect the market value of its equity investment in IMPACT Silver Corp. (IPT: TSX-V). The Company's 11.22% interest in IMPACT Silver Corp. is accounted for on an equity basis. Based on closing market prices at March 30, 2011, the investment has a quoted market value of \$18.2 million, amounting to \$12.8 million more than our carrying value.

First Quarter Results Comparison

(CAD 000s except per-share amounts and meters drilled)

	Three Months Ended March 31		
	2011	2010	% Change
Revenues	22,730	8,072	+182
Gross Margins	6,422	1,190	+440
Net Earnings (Loss)	1,855	(1,253)	n/a
Earnings Per Share- Basic	0.05	(0.04)	n/a
- Diluted	0.05	(0.04)	n/a
Cash and Cash Equivalents	22,398	12,825	+75
Working Capital	63,803	46,006	+39
Meters Drilled	125,800	54,300	+132
Rig Fleet	110	91	+21

The Company has entered into its eighth quarter of consecutive growth in meters drilled. In addition, the average revenue per meter increased to \$181 in the first quarter of 2011 as compared to \$148 in the first quarter of 2010, despite a continuing strong Canadian dollar. The higher revenues per meter and gross margins improvements reflect the steady addition of more frontier drilling programs into the overall mix. This trend is expected to accelerate during the remainder 2011 and 2012. Energold's manufacturing arm, Dando Drilling International Ltd., recorded \$1.3 million in sales and is expected to increase in subsequent quarters, reflecting a strong current order book and a sizeable prospect list of current tender requests.

Mexico remains the strongest market for the Company with over 35 rigs located in the region and contributed approximately half of the total meters drilled. Brazil, Peru and specifically Argentina showed significant growth in the South America operations. Over 30 rigs are located in the Africa operations with planned rig additions throughout 2011.

At March 31, 2011, the Company had 110 drilling rigs with an additional 5 more rigs under construction in response to continued demand for highly mobile drilling rigs and increased exploration expenditures in frontier drilling. The fleet includes 86 EGD Highly Mobile Surface Rigs, 7 Underground Rigs as well as a number of conventional rigs. Further investment into research and development has resulted in retrofitting a number of the rigs to enhance their performance and the field testing of new prototypes designed to expand the potential of its highly mobile fleet and the value of the Company's service offering to its clients.

Despite the difficult environment experienced last year, the first quarter of 2011 further demonstrates the continued strong positive trend of growing drilling demand across our markets. Energold's strategic goal is to continue to utilize our cash reserves to capitalize on the favourable market conditions and build the foundation to fuel further growth. Energold's primary focus continues to be on organic growth through new rig development, expansion into new markets, and a focus on strategic acquisition targets.

The Company will be reviewing its First Quarter 2011 results via Conference Call at 11:30 am ET, 8:30 am PT, Wednesday June 1st. The dial-in numbers are 1-866-782-8903 or 647-426-1845. Management will be discussing the Company's financial and operational results ending with a question-and-answer period. Investors are encouraged to forward any questions they may have to info@energold.com. The recorded

conference call can be accessed at our website on June 1st 2011: <http://www.energold.com/s/Events.asp>

[Energold Drilling Corp.](#) is an environmentally and socially-sensitive diamond drilling company that services the international mining industry. Energold holds 6.87 million shares of IMPACT Silver Corp.

On behalf of the Directors of [Energold Drilling Corp.](#)

"Frederick W. Davidson"

President, CEO

For further information, please contact:

Sunny Pannu - Investor Relations

(604) 681 9501 or via email at info@energold.com

Neither 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.

Some statements in this news release contain forward-looking information. These statements include, but are not limited to, statements with respect to proposed activities, work programs and future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the effects of general economic conditions, the price of commodities, changing foreign exchange rates, actions by government authorities, title matters, environmental matters, reliance on key personnel, the ability for operational and other reasons to complete proposed activities and work programs, the need for additional financing and the timing and amount of expenditures. IMPACT does not assume the obligation to update any forward-looking statement.

1100 - 543 Granville St. Telephone 604 681 9501

Vancouver, BC V6C 1X8 Facsimile 604 681 6813

Copyright (c) 2011 Thenewswire.ca - All rights reserved.

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/105149--Energold-Announces-Record-Revenue-and-Increased-Margins-in-First-Quarter-2011.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).