

Century Mining Corp. Reports Second Quarter 2011 Financial Results

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VAL D'OR, QUEBEC -- (Marketwire) -- 08/26/11 -- [Century Mining Corporation](#) ('Century' or the 'Company') (TSX VENTURE: CMM) reports its financial and operating results for the second quarter and first half of 2011. See below for key highlights:

Results for the Period:	Three Months June 30, 2011	Six Months June 30, 2011	Six Months June 30, 2010
Revenue	\$6,695,331	\$12,496,302	\$11,799,445
Earnings from Mine Operations	\$1,219,355	\$1,543,291	\$4,916,829
Gold Production (ounces)	4,371	8,735	9,996
Mine Site Cash Cost (US\$/oz Au)	\$1,049	\$1,145	\$684
Cost per Tonne Milled (US\$/tonne)	\$138	\$135	\$125
Avg. Au Price Realized (US\$/ounce)	\$1,489	\$1,435	\$1,180
Weighted Avg. Common Shares	436,083,694	422,320,794	342,124,016
Net Income (Loss)	(\$1,307,978)	(\$4,945,692)	(\$2,007,993)
Net Income (Loss) per share	(\$0.00)	(\$0.01)	(\$0.01)
Balances at:	June 30, 2011	March 31, 2011	December 31, 2010
Cash	\$501,414	\$534,040	\$223,890
Current Assets	\$16,079,790	\$13,561,530	\$14,125,650
Current Liabilities	\$41,398,051	\$29,213,052	\$22,785,784
Working Capital	(\$25,419,261)	(\$15,651,522)	(\$8,660,134)
Total Assets	\$160,006,548	\$146,875,567	\$141,332,607

(Canadian \$ except as noted)

'The Company's commitment to focus on the capital development of the North Wall at Lamaque and the lower than expected production at the Lamaque Flats have negatively impacted the Company's cash position. The Company has sought alternative strategies, including the recent restructuring of the Deutsche Bank AG Forward Gold Purchase Agreement, to alleviate this situation. The key focus of management remains the ramp up of the development of the North Wall and Lamaque Flats to increase mill tonnage and grade in order to move the Lamaque project to profitability,' said Daniel Major, President and CEO of Century Mining Corporation.

Financial Review

The Company's net loss for the three months ended June 30, 2011 was \$1.3 million, or \$0.00 per share, compared to a net loss of \$0.7 million, or \$0.00 per share, for the corresponding period in 2010. For the six months ended June 30, 2011, the Company's net loss was \$4.9 million, or \$0.01 per share, compared to a net loss of \$2.0 million, or \$0.01 per share for the corresponding period in 2010.

Revenues for the six months ended June 30, 2011 were up 6% over the same period in 2010. The average realized gold price was up 22%; however, the higher gold prices were offset by decreased volume from the San Juan facility in Peru. The San Juan mine produced 8,735 ounces of gold in the first half of 2011, a 13% decrease from 2010, which was the result of lower ore grades. For the second quarter of 2011, production from San Juan was 4,371 ounces, or 14% below the prior year.

Earnings from mine operations of \$1.5 million for the six months ended June 30, 2011 were negatively

impacted by the cost of gold settlement obligations of \$1.6 million and increased depreciation of \$1.4 million over the corresponding period in 2010.

Unit cash production costs per ounce at San Juan for the second quarter of 2011 were US\$1,049 compared with US\$740 in 2010 and cash costs per tonne milled were \$138 compared with \$134 for the corresponding period in 2010. For the first six months of 2011 unit cash production costs were US\$1,145 versus US\$684 in the first six months of 2010. The increases in cash costs at San Juan during 2011 can be attributed to the lower grades and hence lower ounces recovered, despite higher tonnes milled, together with increased costs of development, supplies and labor. Meanwhile, costs per tonne milled were up 8% year over year, and have been contained in the second quarter of 2011. Peru is operating well, with the lower grade being a result of capital constraints.

For the six months ended June 30, 2011, all operating costs related to the Lamaque project, net of any recoveries, have been deferred as commercial production has not yet been achieved.

In the first six months of 2011 administrative expenses were \$4.7 million and were \$1.9 million higher than the corresponding period in 2010; however, when compared with the second half of 2010, administrative expenses are down 39%. The increase can be attributed to the additional audit related costs pertaining to the transition from Canadian GAAP to IFRS; salaries and travel costs associated with the continued ramp up of the Lamaque project; and legal and professional costs associated with the pending transaction with [White Tiger Gold Ltd.](#) ('White Tiger Gold').

Cash and cash equivalents at June 30, 2011 totaled \$501,414, an increase of \$277,524 from December 31, 2010. After net changes to non-cash working capital balances, cash provided by operating activities was \$5.3 million. Capitalized development at the San Juan and Lamaque facilities, including the deferral of operating costs related to the Lamaque project, net of any recoveries, amounted to \$10.7 million during the first six months of 2011, and equipment expenditures totaled \$7.8 million. The Company's negative working capital is due in large part to the ongoing capital spending at the Lamaque project and most notably the North Wall.

In order to fund this capital spending, during the first half of 2011 the Company issued \$9.6 million of equity instruments, and received \$5.3 million in unsecured loans.

Subsequent to June 30, 2011, the Company received short-term unsecured loans of \$400,000; closed a loan of \$1,000,000 convertible into common shares at a conversion price of \$0.27 per share; completed a private placement of 4,260,000 units at a subscription price of \$0.25 for proceeds of \$1,065,000; and entered into an Amended and Restated Forward Gold Purchase Agreement with Deutsche Bank AG London Branch to provide a 12-month loan of US\$3.25 million, convertible into common shares at a conversion price of \$0.295 per share.

Century's condensed consolidated interim financial statements and management's discussion & analysis ('MD&A'), for the three-month period ended June 30, 2011, are available for review on the Century Mining Corporation website at www.centurymining.com and on SEDAR at www.sedar.com.

Outlook

The Company is ramping up production at the Lamaque gold mine located near Val d'Or, Quebec, Canada. Mining at the Lamaque project in the first half of 2011 has been restricted to the narrow vein structures within the Lamaque Flats, as previously noted in the production updates, and has resulted in lower than planned tonnages and grades. Lamaque produced 3,742 ounces of gold for the quarter ended June 30, 2011 and 9,557 ounces for the first six months of 2011.

During the first half of 2011 the Company's development emphasis at Lamaque has been on accessing the targeted longhole tonnage ore reserves forecast in the North Wall area. Due to the excellent development rates provided by the mining contractor, CMAC, the Company began longhole stoping at the North Wall in August. The North Wall production is ramping up, but at a slower pace than expected. The Company and CMAC have agreed to curtail development operations on a temporary basis while the Company's personnel continue to mine and perform development work in the North Wall. The Company expects to re-engage CMAC in the near future. The Company is still projecting to be producing at the planned rate of 2,000 tonnes of ore per day by the end of the fourth quarter 2011.

Because of the delays in production increases at Lamaque the Company has lowered its 2011 gold production guidance to 45,000 ounces, with 25,000 to 30,000 ounces from Lamaque and 20,000 to 22,000 ounces from San Juan. The Company is forecasting a significant increase in monthly production compared with that achieved in the first half, and the Company is projecting to achieve commercial production at its

Lamaque project as of the end of 2011.

On March 14, 2011 the Company and White Tiger Gold announced the entering into of an arrangement agreement regarding a proposed business combination whereby Century shareholders would receive 0.4 of a White Tiger Gold share for each Century share under a plan of arrangement ('the Business Combination'). To satisfy the requirements of the Toronto Stock Exchange (the 'TSX') for approval of the Business Combination, current technical reports for Century's Lamaque and San Juan projects prepared in compliance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects were completed, and were filed on SEDAR in August 2011.

Century and White Tiger Gold have recently received the conditional approvals of the TSX and the TSX Venture Exchange for the Business Combination, and have amended the Arrangement Agreement between the companies as of August 9, 2011 to provide for, among other things, more favorable tax treatment to eligible Canadian shareholders of Century. Century and White Tiger Gold have issued the management information circulars as required for their respective special meetings of shareholders to be held September 13, 2011 to consider and approve the Business Combination. The management information circulars describe in detail the terms of the Business Combination and the processes and procedures followed by the independent special committees of the boards of directors of each of White Tiger Gold and Century in respect of the Business Combination.

Completion of the Business Combination remains subject to, among other things, the approval of the disinterested shareholders of each of Century and White Tiger Gold, approval of the Ontario Superior Court of Justice and any required approval under the Investment Canada Act and final approval of the TSX.

About Century Mining Corporation

Century Mining Corporation is a Canadian gold producer and holds strategic land positions in Canada, the United States and Peru. The Company's strategy is to grow to its gold production through existing mine expansions and acquisitions of other strategic and synergistic gold opportunities.

On behalf of Century Mining Corporation,

Daniel J. Major
President & CEO

(1) The Company has included a non-GAAP performance measure, total cash cost per ounce of gold, throughout this document. The Company reports total cash costs on a sales basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning, and is a non-GAAP measure. The Company follows the recommendations of the Gold Institute standard. The Company believes that, in addition to conventional measures, prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Caution Concerning Forward-Looking Information

This press release contains forward looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of applicable Canadian securities laws. We use words such as 'may', 'will', 'should', 'anticipate', 'plan', 'expect', 'believe', 'estimate' and similar terminology to identify forward-looking statements and forward-looking information. Such statements and information are based on assumptions, estimates, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments as well as other factors which it believes to be reasonable and relevant. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause our actual results to differ materially from those expressed or implied in the forward-looking statements and information and accordingly, readers should not place undue reliance on such statements and information. Risks and uncertainties that may cause actual results to vary include but are not limited to the speculative nature of mineral exploration and development, including the uncertainty of reserve and resource estimates; operational and technical difficulties; the availability to the Company of suitable financing alternatives; fluctuations in gold and other commodity prices; changes to and compliance with applicable laws and regulations, including environmental laws and obtaining requisite permits; political, economic and other risks

arising from our South American activities; fluctuations in foreign exchange rates; as well as other risks and uncertainties which are more fully described in our annual and quarterly financial statements and management's discussion and analysis and in other filings made by us with Canadian securities regulatory authorities and available at www.sedar.com.

While the Company believes that the expectations expressed by such forward-looking statements and forward-looking information and the assumptions, estimates, opinions and analysis underlying such expectations are reasonable, there can be no assurance that they will prove to be correct. In evaluating forward-looking statements and information, readers should carefully consider the various factors which could cause actual results or events to differ materially from those expressed or implied in the forward-looking statements and forward-looking information.

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.

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