

# Crocodile Gold Reports Revenue of \$30 Million on the Sale of 17,900 Ounces Gold in the Third Quarter of 2011

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- Company focused on development efforts to ensure success in 2012
- Maintains strong cash position with \$50 million in working capital
- Excellent drilling results at both Cosmo and Union Reefs

TORONTO, ONTARIO -- (Marketwire) -- 11/11/11 -- Crocodile Gold Corp. (TSX: CRK) (OTCQX: CROCF) (FRANKFURT: XGC) ('Crocodile Gold' or the 'Company') today announces its financial and operating results for the third quarter of 2011 and nine months ended September 30, 2011. All figures are in U.S. dollars, unless stated otherwise.

Crocodile Gold produced record quarterly tonnage and achieved excellent gold recovery rates at the Union Reefs production facility in the three months ended September 30, 2011. Good progress was made at Cosmo with the completion of pit dewatering and the continued progress of the underground development, but further efforts will be required to complete the infrastructure plans. With modifications to the Cosmo schedule and much lower than expected head grades from the open pits, the Company now expects to mine 66,000 ounces to 69,000 ounces of gold at a cash cost of \$1,400 to \$1,500 per ounce in 2011.

In reporting these results, Chantal Lavoie, President and Chief Executive Officer of Crocodile Gold commented: 'I am happy with the progress of the Company since joining Crocodile Gold, particularly at Cosmo. Unfortunately, in October, unexpected geotechnical conditions associated with the excavation of the top 20 metres of the main ventilation shaft forced us to re-assess how this critical phase of the development work would be completed, therefore delaying the ramp-up of Cosmo by approximately 6 weeks. The changes are necessary to properly set up the infrastructure so that we can ensure an efficient ramp-up of Cosmo, which is key to our long-term strategy. The decision to delay ramp-up was a difficult one because it affects our 2011 production, however, I am confident that the modifications we are making will set up Cosmo, and the Company, so that both will be successful in 2012 and beyond. On the exploration front, the drilling at Cosmo and Union Reefs underground has returned excellent results, confirming our expectation and, in the case of Union Reefs, the short to mid-term potential to bring high quality ounces to our production profile.'

**In the three months ended September 30, 2011 the Company:**

- Recorded revenue of \$30,595,899 on the sale of 17,900 ounces of gold for an average realized price of \$1,714 per ounce-up from revenue of \$30,206,274 in the second quarter of 2011.
- Milled a record total of 559,447 tonnes of ore at an average grade of 1.09 g/t and a recovery rate of 92.8% to produce 18,186 ounces of gold.
- Recorded a net loss of \$6,078,437 or \$0.02 per share.
- Maintained net working capital of \$50,936,471, including cash and cash equivalents of \$49,200,630 or \$0.16 per share.
- Completed 589 metres of development at the Cosmo underground mine, in addition to the 543 metres in the previous six months, with a third mining level now accessed.
- Mined first development ore from Cosmo including 838 tonnes at 2.80 g/t.
- Completed 18,660 metres of surface drilling at Union Reefs, Cosmo, Maud Creek, Yam Creek, Rising Tide and Iron Blow, including 7,787 metres of reverse circulation (RC) and 10,873 metres of diamond drilling.

## Financial Discussion

In the third quarter, the Company recorded gold sale revenue of \$30,595,899 on the sale of 17,900 ounces of gold, for an average realized price of \$1,714 per ounce. In the previous two quarters, gold sale revenue was \$30,206,274 (20,200 ounces) and \$19,858,346 (14,300 ounces) respectively.

The mine operating loss in the three months ended September 30, 2011 was \$1,964,513. The operating earnings were \$349,963 on a cash basis, net of depletion and depreciation of \$2,314,476. The cash cost per ounce of gold sold since the start of the dry season in April 2011 was \$1,432 per ounce (refer to non-GAAP measures below). This cash cost was about \$250 per ounce higher than planned as a result of the lower than expected average head grade from the open pits. Also, costs were affected by a strong Australian Dollar (increase of \$60 per ounce) and with the fluctuations in the price of diesel (increase of \$26 per ounce).

Crocodile Gold recorded a net loss of \$6,078,437 for the three months ending September 30, 2011 and a loss of \$11,887,347 for the nine months ending September 30, 2011. This represents a \$0.02 per share third quarter loss and a \$0.04 per share loss for the nine months ended September 30, 2011.

The net loss includes exploration expenditures of \$1,259,122 for the three months ended September 30, 2011, \$324,135 for the three months ended June 30, 2011, and \$355,709 for the three month ended March 31, 2011 respectively. Exploration expenditures are expensed in respect of properties where mineral resources have not yet been identified and the Company has not yet made a development decision.

During the three months ended September 30, 2011, the Company earned interest income of \$1,056,037 (June 30: \$1,234,804; March 31: \$354,657) on the cash and cash equivalents and restricted cash on hand during the period.

## Cash Flow

Cash used in operating activities was \$7,645,941 for the nine months ended September 20, 2011. Cash used in operating activities was made up of cash generated by mine operations of \$3,380,731, less general and administrative type costs (net of interest income) of \$2,147,476, exploration and care and maintenance costs of \$2,272,629, and increased amounts receivable of \$8,227,236, offset by other net decreases in working capital of \$1,620,669. The increase in amounts receivable included \$4,206,928 from the sale of a surplus ball mill shortly before the end of September 2011.

Investing activities used \$47,063,093 in the nine months ended September 30, 2011. This was principally directed to the development of the Cosmo underground mine, including the dewatering of the Cosmo pit that has cost approximately \$11 million in 2011, and at Union Reefs.

The only significant financing activity in the three months ended September 30, 2011 was the establishment of a \$1,227,918 equipment loan. In the nine months ended September 30, 2011 the issue of shares and warrants raised \$82,187,013.

## Financial Position

As at September 30, 2011, the Company had net working capital of \$50,936,471 (June 30: \$77,473,864; March 31: \$90,010,613), which included cash and cash equivalents of \$49,200,630 (June 30: \$76,819,172; March 31: \$88,191,145).

## Outlook

## Operations

Most of the ore tonnes mined in 2011 will be from open pit ore, sourced from the Howley and Princess Louise open pit mines. The average grade achieved from the open pits during 2011 was 1.10 g/t. The Company is stockpiling ore where possible to help maintain production during the wet season at the end of 2011 and into the first quarter of 2012.

At Cosmo, the priorities for the remainder of 2011 include the installation of a permanent dewatering system, establishment of a fourth mining level, completion of permanent underground pump stations and underground electrical substations and high voltage power reticulation, and establishment of the primary ventilation system and secondary egress.

## Exploration

In 2011, definition drilling is being conducted at Cosmo on the Western and Eastern Lodes, which is expected to add further mineral resources and potentially mineral reserves.

The Union Reefs Project area has also been prioritized to find additional sources of high-grade mill feed that

can ultimately be mined by underground methods with the near term priorities being the Prospect and Crosscourse deposits.

Drilling has been supplemented with an airborne geophysical survey over selected areas in order to fully understand the underlying geology and define base and precious metal targets of significance.

Further details regarding the Company's operations are available on the Company's website at [www.crocgold.com](http://www.crocgold.com) and also [www.sedar.com](http://www.sedar.com) where Crocodile Gold's Annual Information Form, audited annual financial statements and managements' discussion and analysis (MD&A) are posted.

## About Crocodile Gold

Crocodile Gold is a Canadian company with operating gold mines in the Northern Territory of Australia and a land position of over 3,300 square kilometres. Crocodile Gold is currently mining from the Mottrams and Princess Louise open pit mines and is developing the Cosmo underground mine. Ore is processed at the 2.4 million tonne per year Union Reefs Mill. Crocodile Gold has 3.175 million ounces of National Instrument 43-101 compliant measured and indicated mineral resources (51.85 million tonnes at an average grade of 1.9 g/t gold) and 2.14 million ounces of inferred mineral resources (36.35 million tonnes at an average grade of 1.8 g/t gold). The Company has an exploration program in place with a main focus on the Union Reefs Project, the Cosmo Mine and the Maud Creek Deposit.

## Qualified Person

David Keough, MAusIMM of Crocodile Gold Australia Operations is a 'qualified person' as such term is defined in National Instrument 43-101 and has reviewed and approved the technical information and data included in this press release.

## Cautionary Notes

## Non-GAAP Measures

Crocodile Gold believes that investors use certain indicators to assess gold mining companies. The indicators 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 International Financial Reporting Standards.

'Cash cost per ounce' is a non-GAAP performance measure which could provide an indication of the mining and processing efficiency and effectiveness at the operations. It is determined by dividing the operating expenses, excluding stock-based compensation allocated to operating expense and net of silver revenue, by the number of ounces of gold sold. There are variations in the method of computation of 'cash cost per ounce' as determined by the Company compared with other mining companies. The following is a reconciliation of the cash cost per ounce of gold sold, to the reported operating expenses for the six months ended September 30 (being the period after the wet season ended and not materially affected by the underground Brocks Creek mine that ceased production in April 2011) and the three months ended March 31, 2011:

	Six months ended September 30, 2011	Three months ended March 31, 2011
Operating expenses per consolidated statement of operations and comprehensive income (loss)	55,393,695	22,287,443
By-product silver sales credit	(402,227)	(107,391)
Non-cash stock option expense charged to operating expenses	(404,382)	(162,669)
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Operating cash costs	54,587,086	22,017,383
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Divided by ounces of gold sold	38,100	14,300
Cash cost per ounce (\$ per ounce)	1,432	1,540

### Forward-Looking Information

Certain information set forth in this press release contains 'forward-looking statements', and 'forward-looking information under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which include management's assessment of Crocodile Gold's financial results, operations and mineral resource estimates and are based on Crocodile Gold's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as 'expects' 'anticipates', 'believes', 'projects', 'plans', and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Crocodile Gold's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: liabilities inherent in mine development and production; geological, mining and processing technical problems; Crocodile Gold's inability to obtain required mine licenses, mine permits and regulatory approvals required in connection with mining and mineral processing operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions; the demand for and availability of rail, port and other transportation services; the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Crocodile Gold undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

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