

High River Financial Results for the First Quarter Ended March 31, 2012

16.05.2012 | [Marketwired](#)

(All currency figures are in Canadian Dollars unless otherwise noted)

TORONTO, ONTARIO -- (Marketwire) -- 05/15/12 -- [High River Gold Mines Ltd.](#) (TSX: HRG) ("High River" or the "Company") announces its financial results for the quarter ending March 31, 2012.

First Quarter Financial Highlights

- Average realized gold price of US\$1,663 per ounce, up 20% (Q1 2011: US\$1,385)
- Revenue of \$138.9 million, up 13% (Q1 2011: \$122.4 million)
- Net income up 54% to \$57.6 million (Q1 2011: \$37.3 million)
- Cash flow from operating activity of \$71.5 million (Q1 2011: \$53.5 million)
- Cash and cash equivalents of \$95.6 million (Q1 2011: \$204.1 million)

Corporate Developments

- Bissa project construction in Burkina Faso progressing rapidly with engineering work mostly complete; on track to deliver first gold in H1 2013.

Financial summary

In thousands of Canadian Dollars (except per share amounts)	2012	2011	2010
Gold revenue	\$ 138,897	\$ 122,363	\$ 97,656
Net income (loss)	57,636	37,299	30,421
Net income (loss) per share (basic)	0.07	0.04	0.03
Cash provided by (used in) operating activities	71,472	53,519	31,499
Weighted average number of shares outstanding (basic)	840,218,962	840,218,962	799,327,755

Materials

The Company's financial results for Q1 2012 are available under the Company's SEDAR profile.

For further information on High River please visit the company's website - www.hrg.ca.

Notes to Editors

About High River

High River is an unhedged gold company with interests in producing mines, development and advanced

exploration projects in Russia and Burkina Faso. Two underground mines, Zun-Holba and Irokinda, are situated in the Lake Baikal region of Russia. Two open pit gold mines, Berezitovy in Russia and Taparko-Bouroum in Burkina Faso, are also in production. Finally, High River has a 90% interest in a development project, the Bissa gold project in Burkina Faso, and a 50% interest in an advanced exploration project with resource estimates compliant with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), the Prognoz silver project in Russia.

Capital Expenditure Programme

We forecast 2012 capex to be in the region of US\$230 million. Exploration will continue to remain a significant part of High River's capex programme going forward. The Company's existing operations will require mainly maintenance capex going forward.

Reserves & Resources

On April 16 and April 24, 2012, High River announced the results of its resource and reserve upgrade using all available data for the Company's mineral projects as reported by Wardell Armstrong International and Valls Geoconsultant (NI 43-101 compliant updates). These estimates supersede all previously announced estimates.

Highlights as of January 1, 2012:

- Combined JORC Code and NI 43-101 compliant proven and probable reserves of 3.6 mOz of gold (56,736 kilotonnes of ore, at an average grade of 1.96 g/t).
- Combined JORC Code and NI 43-101 compliant measured and indicated resources of 5.0 mOz of gold (106,862 kilotonnes of ore, at an average grade of 1.46 g/t) and inferred resources of 3.1 mOz of gold (80,297 kilotonnes of ore, at an average grade of 1.20 g/t).

For details on the specific reserve and resource category, grade and total tonnage for each mineral project, and for information on key assumptions, parameters, methods and procedures used to estimate the mineral reserves and resources and the data verification methods employed, see the press release issued by the Company on April 16, 2012, titled "High River Announces Updated Reserve and Resource Estimate and Current Technical Reports for Irokinda and Zun-Holba" and the press release issued by the Company on April 24, 2012, titled "High River Announces Updated Reserve and Resource Estimates for Berezitovy and Burkina Faso Properties".

Exploration and Production

The 2011 exploration programme of US\$39 million showed encouraging results across all regions and mines, including:

- Bissa: Mineral resources up 10%. New resources estimated near the Bissa mine combining five different satellites with total mineral resources of approximately 4.9 mOz, including 1.0 mOz of resources at a grade of 0.77 g/t at Bouly.

Key exploration priorities in 2012 - 2013 will include:

- Continued life of mine extension at Buryatzoloto and Taparko;
- Initiation of drilling programme at Berezitovy;
- Further resource definition at Bouly;
- Bissa satellite drilling; and
- Regional exploration in Russia and Burkina Faso.

Review of Operations

- Total gold production decreased 8% to 84,457 (Q1 2011 - 91,756 ounces). Total cash cost per ounce increased 40% to US\$786 (Q1 2011 - US\$560 per ounce);
- The Zun-Holba and Irokinda Gold Mines produced 30,426 ounces (Q1 2011 - 31,855) at a total cash cost of US\$805 per ounce;
- The Taparko-Bouroum Gold Mine produced 33,747 ounces (Q1 2011 - 36,456) at a total cash cost of US\$602 per ounce;
- Gold production at Berezitovy was 20,284 ounces (Q1 2011 - 23,445 ounces) at a total cash cost of US\$ 1,065 per ounce; and
- In 2011, High River's subsidiary in Burkina Faso, Bissa Gold S.A. ("Bissa Gold") was granted the mining license for the Bissa Gold Project by the governmental authorities of Burkina Faso for a term of 20 years with a possibility of renewal. In Q1 2012, Bissa Gold continued procurement of mining and processing equipment and construction of the new mine's production facilities and infrastructure.

Qualified Person

Dr. Phil Newall, BSc (ARSM), PhD (ACSM), CEng, FIMMM, Director with Wardell Armstrong International is a "qualified person" as such term is defined in NI 43-101 and has reviewed and approved the technical information and data, other than for Zun-Holba and Irokinda, included in this press release. Dr. Newall is independent of High River.

Ricardo Valls, M. Sc, P. Geo., is a "qualified person" as such term is defined in NI 43-101 and has reviewed and approved the technical information and data related to Zun-Holba and Irokinda included in this press release. Mr. Valls is independent of High River.

FORWARD LOOKING INFORMATION

This release contains forward-looking statements. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, High River cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause High River's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although High River has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended, including those risk factors discussed in the Company's 2011 Annual Information Form. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this release, and High River assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

High River Gold Mines Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the three months ended 31 March
(In thousands of Canadian Dollars)

	Notes	2012	2011

Revenue			
Gold		138,897	122,363

Silver	1,786	2,000
Cost of sales	140,683 (76,565)	124,363 (56,824)
Gross Profit	64,118	67,538
Exploration expenses	-	(4,036)
General and administrative expenses	(605)	(993)
Other expenses, gains and losses	10,919	(5,051)
Interest income	3,777	1,771
Finance costs	(314)	(1,906)
Change in fair value of derivative	-	-
Profit before income taxes	77,895	57,324
Income tax expense	(15,263)	(12,423)
Profit for the year	62,632	44,901
Attributable to:		
Non-controlling interest	4,996	7,602
Equity holders of the Company	57,636	37,299
Profit for the year	62,632	44,901
Other Comprehensive (loss) Income		
Net (loss) gains on available for sale financial assets	(1,070)	7,923
Exchange differences on translation of foreign operations	19,139	17,202
Other comprehensive (loss) income, net of tax	18,070	25,125
Attributable to:		
Non-controlling interest	16	4,996
Equity shareholders of the Company	75,706	62,425
Comprehensive Income, net of tax	80,702	70,026
Profit attributable to equity holders of the Company	57,636	37,299
Weighted average number of ordinary shares outstanding	840,218,962	840,218,962
Basic and diluted earnings per share	0.07	0.04

[High River Gold Mines Ltd.](#)INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands of Canadian Dollars)

	As at	As at
Notes	March 31 2012	December 31 2011

ASSETS			
Current Assets			
Cash & cash equivalents	3	95,563	162,310
Inventories	4	139,315	121,690
Loans to related parties	5	110,415	24,360
Other assets	6	53,952	37,690

		399,244	346,050
Non-Current Assets			
Exploration and evaluation assets	7	85,936	80,035
Mine properties	8	113,276	107,105
Property, plant & equipment	9	306,865	244,131
Available for sale financial assets		84,778	86,023
Loans to related parties	5	37,955	57,219
Other assets	6	3,173	9,654
Deferred tax assets		77,620	77,610

		709,603	661,777

TOTAL ASSETS		1,108,847	1,007,826

LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	11	80,516	51,566
Loans and other borrowings	12	11,153	20,531
Derivative Financial Liabilities		-	-
Income tax payable		12,673	16,705

		104,342	88,802
Non-Current Liabilities			
Provisions	13	20,616	19,147
Deferred tax liabilities		97,266	93,957

		117,883	113,104

TOTAL LIABILITIES		222,225	201,906

EQUITY			
Share Capital		641,298	641,298
Contributed surplus		25,079	25,079
Available for sale reserve		69,861	70,930
Foreign currency translation reserve		(25,933)	(45,071)
Retained Earnings/(Deficit)		116,152	58,515

Equity attributable to equity holders of the Company		826,457	750,751
Non-controlling interest	16	60,165	55,169

TOTAL EQUITY		886,621	805,920

TOTAL LIABILITIES AND EQUITY	1,108,847	1,007,826
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High River Gold Mines Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Canadian Dollars)

OPERATING ACTIVITIES	Three months ended	
	March 31, 2012	March 31, 2011
Profit after income taxes	62,632	57,324
Adjustments to profit for non-cash items		
Depreciation of property, plant and equipment	15,365	6,750
Accretion expense	314	534
Write-down of exploration	-	18,551
Loss/(gain) on disposal of investments	(10)	(16,614)
Non-cash mining costs	(499)	(1,676)
Equity loss from associated company	(247)	-
Fair value adjustment to financial instruments	-	-
Share based payment expense	-	-
Interest on capital lease	-	-
Gain/(loss) on disposal of property, plant and equipment	1,926	(404)
Deferred tax expense	19,088	4,694
Other non-cash items	(7,228)	(1,599)
Working Capital Adjustments		
Change in trade receivable and other assets	(8,321)	(5,483)
Change in inventories	(17,625)	(26,825)
Change in other assets	(7,924)	622
Change in accounts payable and accrued liabilities	29,135	20,546
Income tax paid	(15,173)	(2,900)
NET OPERATING CASH FLOWS	71,432	53,520
INVESTING ACTIVITIES		
Investment in exploration and evaluation assets	(6,609)	(5,577)
Expenditure on property, plant and equipment	(73,872)	(9,845)
Allocation of restricted cash		
Proceeds on sale of property, plant and equipment	-	583
Other investing activities	(751)	(1,539)
NET INVESTING CASH FLOWS	(81,231)	(16,378)
FINANCING ACTIVITIES		
Proceeds from debt issuance	-	-
Payments of loans and borrowings	(27,211)	(10,283)
Joint venture repayment of Prognoz contribution		16,609
Other Financing activities	(34,421)	209
Proceeds from exercise of share options	-	-
NET FINANCING CASH FLOWS	(61,632)	6,535

Increase (decrease) in cash and cash equivalents	(71,431)	43,677
Net foreign exchange difference	4,684	6,444
Cash and cash equivalents, beginning of the period	162,310	153,964

Cash and cash equivalents, end of the period	95,563	204,085

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<https://www.rohstoff-welt.de/news/125847--High-River-Financial-Results-for-the-First-Quarter-Ended-March-31-2012.html>

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