

La Mancha's Second Quarter Gold Production Jumps 21% From the Previous Quarter

03.08.2012 | [Marketwired](#)

Unaudited SECOND QUARTER HIGHLIGHTS

- Strong production of 30,620 ounces of gold at an average cash cost of US \$766 per oz
- Cash flow from operating activities of \$21.2 million
- Cash and short-term investments grow to \$127.0 million
- Net earnings of \$7.8 million
- Total revenues of \$52.3 million
- The Board of Directors unanimously recommended the acceptance of an offer to purchase all outstanding common shares of La Mancha by way of a take-over bid at a price of \$3.50 per share in cash. The Offer is open for acceptance until 5:00 p.m. (Montreal time) on August 27, 2012.

Dominique Delorme, President and CEO of La Mancha, stated that: "I would like to congratulate our teams at each of our mines for their committed effort over the past quarter as each have been able to significantly outperform the first quarter's gold production. As such, we are pleased to re-affirm our 2012 gold production target of a minimum of 110,000 attributable ounces."

MONTREAL, 08/03/12 - [LaMancha Resources Inc.](#) (TSX: LMA) (FRANKFURT: LMA) (hereinafter "La Mancha" or the "Company") is pleased to report that its consolidated gold production remains in line with its 2012 guidance as output during the second quarter totalled 30,620 ounces of gold, an increase of 21% over the previous quarter, at an average cash cost of US \$766 per ounce. This compares to 34,632 ounces of gold produced in the second quarter of 2011 at a cash cost of US \$657 per ounce. Despite an increase in gold output at its Frog's Leg, Hassaï, and Ity mines, the Company's year-over-year consolidated production decreased as no White Foil ore was processed.

La Mancha's second quarter revenues rose 14% over the corresponding quarter of last year to reach \$52.3 million as the Company continued to benefit from higher gold prices. The Company recorded gold sales of 31,713 and 31,137 ounces for the quarters ended June 30, 2012 and 2011, respectively.

Cash flow from operating activities increased to \$21.2 million during the second quarter of 2012, up 45% from \$14.6 million in the same quarter of 2011. This strong cash generation enabled the Company to continue building its cash and short-term investment position, which reached \$127.0 million as at June 30, 2012. This compares to \$70.7 million as at June 30, 2011. The Company remains debt-free.

Net earnings for the second quarter of 2012 were \$7.8 million, compared to \$11.3 million in the second quarter of 2011. Net earnings were notably impacted by higher exploration expenditures, which increased from \$1.9 million in the second quarter of 2011 to \$4.5 million in the second quarter of 2012, and by the inclusion of a provision for the proposed tax increase in Cote d'Ivoire. Moreover, the auction process announced on March 14, 2012, ran its course throughout the second quarter of 2012, resulting in an extra charge of \$1.1 million for the Company over the quarter. This auction process resulted in Weather II offering to purchase all outstanding common shares of the Company by way of take-over bid at a price of \$3.50 per share in cash (see Corporate Development section below for details).

For the first half of 2012, La Mancha posted net earnings of \$15.7 million and generated \$35.4 million in cash flow from operating activities, while its attributable gold production totalled 55,921 ounces of gold. This compares to net earnings of \$18.8 million, cash flow from operating activities of \$41.2 million and gold production of 67,058 ounces for the same period in 2011.

AUSTRALIAN OPERATIONS

Gold production at the Frog's Leg mine remains in line with the Company's 2012 forecast, as the mine generated 16,094 ounces of gold net to La Mancha during the second quarter of 2012, 19% more than the previous quarter, at an average cash cost of US \$762 per ounce. This compares to 15,376 ounces of gold generated in the corresponding period of 2011 at an average cash cost of US \$565 per ounce.

Despite lower processed gold grades, production increased 5% year over year, mainly due to the higher tonnage processed. Cash costs were higher than in the same quarter of 2011 due mainly to the aforementioned lower processed gold grades, and to a lesser extent to higher processing costs.

As at June 30, 2012, La Mancha's Frog's Leg ore stockpile stood at 4,500 ounces (28,022 tonnes grading 5.01 g/t Au) compared to a stockpile of 1,322 ounces (5,239 tonnes grading 7.85 g/t Au) as at June 30, 2011.

While La Mancha continued to study milling options for the White Foil ore, an acceptable agreement has yet to be reached. Consequently, no White Foil ore was processed in the first half of 2012. This compares to 86,140 tonnes of White Foil ore processed in the second quarter of 2011, yielding 7,963 ounces of gold at an average cash cost of US \$792 per ounce.

As announced on June 15, 2012, drill results for the ongoing 10,000-metre drilling program suggest that White Foil's mineralization extends more than 350 metres below the current resource envelope, and that, if a milling solution is provided, there appears to be potential for a large cutback of the open pit and later extraction using bulk underground mining methods. A new resource estimate is planned towards the end of 2012 following completion of the drilling program.

AFRICAN OPERATIONS

Gold production at the Hassaï mine remains in line with the 2012 forecast, as output during second quarter of 2012 totalled 21,111 ounces of gold (8,444 ounces attributable to La Mancha), 34% more than in the previous quarter, at an average cash cost of US \$832 per ounce. This compares to 21,000 ounces of gold (8,400 ounces attributable to La Mancha) produced in the second quarter of 2011 at a cash cost of US \$703 per ounce. Year-over-year gold production remained stable as higher mill throughput and a slightly higher gold grade compensated for a lower gold recovery rate. Cash costs increased over the corresponding quarter of 2011 due largely to higher mining costs associated with equipment maintenance and repair.

The Ity mine's gold production also remains in line with the 2012 forecast, with this year's second quarter output totalling 13,250 ounces of gold (6,082 ounces attributable to La Mancha), up 11% from the previous quarter, at an average cash cost of US \$682 per ounce. This compares to 6,302 ounces of gold (2,893 ounces attributable to La Mancha) produced in the second quarter of 2011 at a cash cost of US \$646 per ounce. Despite the lower processed gold grades and recovery rate, gold production increased over the corresponding quarter of 2011 due mainly to a significant increase in processed tonnage. In the second quarter of 2011, production was negatively affected by a temporary shutdown in response to Cote d'Ivoire's political situation.

Improvements made to the plant in the first quarter of 2012 and the addition of a third milling shift in the fourth quarter 2011 have allowed the Ity mine to successfully reach the desired 600,000 tonnes per annum throughput rate, up from 400,000 tonnes per annum. A total of 301,382 tonnes were processed in the six-month period ended June 30, 2012, compared to 122,782 tonnes for the corresponding period of 2011.

Due to the Ivorian government's suspension of its previously proposed tax on super profits, which would have effectively increased the gold royalty by 7%, La Mancha has reclassified its royalty provision taken during the first quarter of 2012 to a tax provision. As such, the cash cost of US \$840 per ounce published for the first quarter of 2012 has been revised to US \$671 per ounce.

CORPORATE DEVELOPMENT

Auction Process

On July 13, 2012, La Mancha announced that it had entered into an agreement (the "Support Agreement") with Weather Investments II S.à.r.l. ("Weather II"), pursuant to which Weather II agreed, subject to the terms of the Support Agreement, to offer to purchase all outstanding common shares of La Mancha by way of a take-over bid at a price of \$3.50 per share in cash (the "Offer"). To this effect, on July 20, 2012, Weather II announced that, through one of its wholly-owned indirect subsidiaries, it had launched its offer to acquire all of the outstanding shares of La Mancha and had mailed the Offer and Take-Over Bid Circular to La Mancha

shareholders.

The board of directors of La Mancha, after receiving the recommendation of the special committee of independent directors and a fairness opinion from its financial advisor, has unanimously determined that the Offer is fair to the holders of Common Shares and has agreed to recommend to La Mancha shareholders that they accept the Offer. The Directors' Circular was concurrently mailed with the Offer and Take-Over Bid Circular.

On July 31, 2012, Weather II announced that as of the close of trading on July 30th, 2012, a total of 90,000,000 Common Shares had been deposited, representing approximately 62.8% of the outstanding Common Shares, on a fully diluted basis.

The Offer will be open for acceptance until 5:00 p.m. (Montreal time) on August 27, 2012, unless extended, and is conditional upon, among other things, there having been validly deposited (and not withdrawn), together with any Common Shares owned or controlled by the Offeror and its affiliates, at least 62.8% of the outstanding Common Shares (on a fully-diluted basis).

Full details of the Offer are contained in the Take-Over Bid Circular of the Offeror and the La Mancha Directors' Circular, copies of which are available on La Mancha's website at www.lamancha.ca and under La Mancha's profile at www.sedar.com.

Consolidated Financial Statements

The management discussion and analysis and unaudited consolidated financial statements with explanatory notes for the quarter ended June 30, 2012, are available in PDF format through SEDAR at www.sedar.com.

ABOUT LA MANCHA RESOURCES INC.:

[La Mancha Resources Inc.](http://www.lamancha.ca) is an international gold producer based in Canada with operations, development projects and exploration activities in Sudan, Cote d'Ivoire and Australia. La Mancha's shares trade on the Toronto (TSX) under the symbol "LMA". For more information on the Company, visit its website at www.lamancha.ca.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains certain "forward-looking statements", including, but not limited to, the statements regarding the Company's strategic plans, future production and profitability, production targets and timetables; statements regarding the Frog's Leg mine's ore mill schedule and grades; statements regarding White Foil's production and the possibility to treat its stockpiled ore at the Greenfields treatment plant; statements regarding the resumption on White Foil toll-mining; statements regarding the positive impact of Ity's new leaching pads on production; statements regarding the upgrade to CIL at Hassaï, its associated timetable and production schedules; statements regarding the outcome of the exploration program at Hassaï. Forward-looking statements express, as at the date of this press release, the Company's plans, estimates, forecasts, projections, expectations or beliefs as to future events and results. Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Risks and uncertainties that could cause results or future events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, factors associated with fluctuations in the market price of precious metals, mining industry risks, exploration risks, risks associated with foreign operations, environmental risks and hazards, uncertainty as to calculation of mineral reserves, requirement of additional financing or additional permits, authorizations or licenses, risks of delays in construction and production and other risks referred to in La Mancha's 2011 Annual Information Form filed with the Securities Commissions, as well as the Toronto Stock Exchange.

All amounts are in CA dollars, unless otherwise indicated.

See table in attachment

LA MANCHA'S GOLD PRODUCTION JUMPS 21%:

<http://hugin.info/145163/R/1631788/523214.pdf>

For additional information, please contact:

La Mancha Resources Inc.
Martin Amyot, Vice President Corporate Development
Tel: (514) 987-5115 ext 25
Email: info@lamancha.ca

Nicole Blanchard, Investor Relations
(514) 961-0229

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/130698--La-Manchaund039s-Second-Quarter-Gold-Production-Jumps-21Prozent-From-the-Previous-Quarter.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 -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).