

Avion Gold Announces Second Quarter Earnings of \$15.7 Million (\$0.04 Per Share)

15.08.2012 | [Marketwired](#)

RECORD PRODUCTION ACHIEVED WITH 28,637 OUNCES OF GOLD PRODUCED IN THE SECOND QUARTER

TORONTO, ONTARIO -- (Marketwire) -- 08/15/12 -- [Avion Gold Corporation](#) (TSX: AVR) (OTCQX: AVGCF) ("Avion" or the "Company") today announces its financial results for the second quarter ended June 30, 2012. All amounts are in United States dollars unless otherwise indicated.

Avion plans to host a conference call on August 15th at 10:30 AM (ET). To participate in the call please dial:

International: +1 416 695 7848
Toll Free North America: 800 769 8320
Local: 416 695 7848

To register and listen to the webcast of the call, please go to Avion's website at www.aviongoldcorp.com. A webcast play back recording will remain on the Company's website after the completion of the call.

Complete financial statements and related Management's Discussion and Analysis will be available under the Company's profile on www.sedar.com before the market opens August 15, 2012.

Second Quarter Highlights:

- The Company had earnings of \$15.7 million, or \$0.04 per share for the quarter as compared to \$15.2 million in earnings, or \$0.04 per share for the comparable quarter last year
- The Company achieved revenues of \$49.4 million this quarter compared to revenues of \$37.9 million for the comparable quarter last year representing a 30% increase
- Avion produced 28,637 ounce of gold during the quarter after final refinery adjustments at a cash cost of per ounce produced of \$910. Please see "Non-GAAP Measures" below. The Company has now set two consecutive quarterly records for the amount of gold produced in one quarter, with year to date production of 54,894 ounces after refinery adjustments. Mining and processing costs were \$28.4 million compared to \$12.8 million for the comparable quarter last year.
- Avion processed 191,500 tonnes of ore at an average grade of 5.05 g/t Au. Approximately 37% of the ore processed was mined from the Dioulafoundou and Djambaye open pits, and 63% of the ore was mined from Tabakoto underground. Average mill recovery for the quarter was 92.5%
- During the quarter the Company sold 30,669 ounces of gold at an average realized price of \$1,606 per ounce.
- The Company generated operating cash flow before working capital adjustments of \$18.8 million compared to \$21.3 million for the same quarter last year.
- The Company completed the quarter having \$15.3 million in cash and cash equivalents

Capital Expansion Programs

Expansion plans continued at Tabakoto, consisting of the following activities:

- Construction work to double the Tabakoto plant capacity from 2,000 to 4,000 tonnes per day was progressing well until a military coup occurred on March 21, 2012. The plant expansion was on budget and on schedule, and approximately 80% complete on a cost spend basis. The mill expansion which was delayed when contractors left the site during the coup is anticipated to resume in the latter part of 2012 or

early 2013. The Company is negotiating with contractors to return to site as soon as possible, however it will take some time to remobilize teams to site. All parts and supplies to complete the mill expansion have arrived at site.

- Reinforcement work of the underground portal at the Segala deposit continued during the second quarter of 2012

Financial Discussion: three months ended June 30, 2011

The Company reported net income of \$15,681,810 (\$0.04 per share, basic and diluted) for the three months ended June 30, 2012 compared to \$15,206,796 (\$0.04 per share, basic and diluted) for the three months ended June 30, 2011.

During Q2-2012, the Company sold 30,669 ounces of gold and generated \$49,248,115 in gold sales revenue. In Q2-2011, 24,996 ounces of gold was sold generating \$37,772,410 in gold sales revenue. Mining and processing costs were \$28,370,860 (Q2-2011: \$12,822,914), and the Company recorded depletion and depreciation of \$7,302,777 (Q2-2011: \$4,131,748). The Company is amortizing deferred property, plant and equipment related to the Mali projects on a unit of production basis from the current mine plan. The Company was subject to a 6% royalty on metal sales during Q2-2012. Royalties expense totaled \$2,956,631 for the ounces of gold sold during Q2-2012 (Q2-2011: \$2,458,430).

The Company realized a cash cost per ounce produced of \$910 per ounce for Q2-2012 compared to \$544 for Q2-2011. The increase is attributable to the shift from open pit mining to underground mining. Please see "Non-IFRS Measures" below.

Corporate and administrative expenses totaled \$1,870,129 for the quarter ended June 30, 2012 compared to \$1,150,011 for Q2-2011. The Company incurred higher professional costs during the quarter as a result of higher audit costs, higher insurance costs and costs related to the proxy solicitation and corporate governance services prior to the Company's annual general meeting. Consulting and management costs were also higher in Q2-2012 compared to Q2-2011 with the addition of a VP of Operations during the current quarter.

Other gains and losses included a foreign exchange gain of \$4,721,897 during Q2-2012 compared to a loss of \$753,480 during Q2-2011. The Company carried liabilities denominated in FCFA during Q2-2012 as a result of the loan with Banque Atlantique. The FCFA weakened compared to the US dollar during the quarter, resulting in a foreign exchange gain. As well, the Company incurred an unrealized loss on the value of investments held by the Company of \$212,165 during Q2-2012 compared to \$878,918 during Q2-2011.

The Company recorded an unrealized gain on the change in fair value of derivative liabilities of \$2,617,176 during Q2-2012 (Q2-2011: \$nil). This was in relation to the gold call options sold during Q1-2012.

Don Dudek, P.Geol. Avion's Senior VP Exploration, and Andrew Bradfield, P.Eng., Avion's Chief Operating Officer, are the Qualified Persons for this MD&A as defined under National Instrument 43-101 and are responsible for the technical and scientific work carried out and have reviewed and approved the scientific and technical information presented in this press release.

About Avion Gold Corporation

[Avion](#) is a Canadian-based gold mining company focused in West Africa that holds 80% of the Tabakoto and Segala gold projects in Mali. Avion has developed an underground mine at the Tabakoto deposit, and is developing another underground mine at the Segala deposit. The Tabakoto project property also contains several producing open pit mines. Production sustainability will continue to be supported by exploration programs over an approximately 600 km² exploration package that both surrounds and is near to the Avion's existing mine infrastructure, and contains mineral resources on the Kofi property. Additionally, mineral resources have grown considerably at Avion's 1,600 km² Hounde exploration property in Burkina Faso.

Cautionary Notes

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, without limitation, statements regarding the impact of the financial results on the Company, development potential and timetable of the Mali projects; the future price of gold; the estimation of mineral resources; conclusions of economic evaluation (including scoping studies); the realization of mineral resource estimates; the timing and amount of estimated future

production, development and exploration; costs of future activities; capital and operating expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of current exploration activities; foreign operations risks; other risks inherent in the mining industry and other risks described in the annual information form of the Company, which is available under the profile of the Company on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Cautionary Non-GAAP Statements

Avion 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 with GAAP. "Cash flow from operating activities before changes in non-cash working capital" is a non-GAAP performance measure which could provide an indication of the Company's ability to generate cash flows from operations, and is calculated by adding back the change in non-cash working capital to "Cash provided by (used for) operating activities" as presented on the Company's consolidated statements of cash flows. "Cash flow per share" is calculated by dividing "Cash provided by (used for) operating activities" and adding back the change in non-cash working capital by the fully diluted number of shares outstanding for the period. "Cash cost per ounce produced" is a non-GAAP performance measure which could provide an indication of the mining and processing efficiency and effectiveness at the mine. It is determined by dividing the relevant mining and processing costs excluding royalties by the ounces produced in the period. There may be some variation in the method of computation of "cash cost per ounce produced" as determined by the Company compared with other mining companies. In this context, "ounces produced" includes in-process and dore inventory along with ounces of gold sold in the period. "Cash costs per ounce produced" may vary from one period to another due to operating efficiencies, waste to ore ratios, grade of ore processed and gold recovery rates in the period.

The following table provides a reconciliation of mining and processing costs per the financial statements and cash operating for the purposes of calculating cash costs per ounce produced and total cash costs produced.

	Three months ended June 30, 2012	Three months ended June 30, 2011
Mining and processing expenses	28,370,860	12,822,914
By-product silver sales credit	(149,585)	(117,420)
Inventory movements and adjustments	(2,153,192)	1,342,755
Cash operating costs	26,068,083	14,048,249
Divided by ounces of gold produced	28,638	25,825
Cash cost per ounce produced	910	544
Royalties	2,956,631	2,458,430
Total cash cost per ounce produced	1,014	639
Operating cashflow	12,534,858	11,544,710
Operating cashflow per ounce produced	438	447

Contacts:

Avion Gold Corporation

Michael McAllister, Manager, Investor Relations
(416) 309-2134
info@aviongoldcorp.com
www.aviongoldcorp.com

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/131358--Avion-Gold-Announces-Second-Quarter-Earnings-of-15.7-Million-0.04-Per-Share.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](#).