

Osisko Mining Corp. Reports Third Quarter 2012 Results

13.11.2012 | [Marketwired](#)

Mine Operating Profits of \$60.1 Million, Net Profit of \$26.2 Million

MONTREAL, QUEBEC -- (Marketwire) -- 11/13/12 -- [Osisko Mining Corporation](#) (the "Company" or "Osisko") (TSX: OSK)(FRANKFURT: EWX) is pleased to report that it has generated a net profit of \$26.2 million (\$0.07 per share) during the third quarter of 2012 versus a net profit of \$9.3 million in the third quarter of 2011 (\$0.02 per share). The higher profitability is attributable to continued progress on the ramp up of the Canadian Malartic mine and improved margins.

Q3 Highlights

- Gold production of 103,753 ounces, a new quarterly record;
- Operating cash flow of \$55.4 million;
- Continued progress on plant ramp up and optimization with record tonnage mined and milled being achieved; and
- Cash costs per ounce of C\$864.

Q4 Preview

- Drilling program initiated in Mexico in late October;
- Record daily mill throughput of 58,476 tonnes achieved in the first week of November; and
- Announcement of the friendly acquisition of [Queenston Mining Inc.](#) in November.

Mine operating profits during the third quarter totaled \$60.1 million compared to \$38.3 million in the corresponding period in 2011. Record gold production of 103,753 ounces was achieved during the period. Gold production continues to increase quarter-over-quarter with improvements in the milling plant following the installation and commissioning of the two secondary cone crushers, increased availability in the circuit and optimization measures. The table below outlines the steady progress towards achieving design mill throughput rates, rising availability and subsequent increase of gold production.

	Tonnes per Operating Day	Availability (%)	Gold Production (oz)
Q3 2012	43,181	94	103,753
Q2 2012	38,074	90	92,003
Q1 2012	35,728	87	91,178
Q4 2011	33,733	90	79,718
Q3 2011	36,742	86	73,814
Q2 2011	29,894	82	46,606

Sean Roosen, President and Chief Executive Officer of Osisko, commenting on the third quarter results: "We continue to focus on ramping up our operations at Canadian Malartic to the 55,000 tonnes per day name plate capacity. We are making very good progress and are increasing our gold output and improving our profit margins. Our cash unit cost decreased by 15% during the period and we continue to benefit from robust gold market".

During the first nine months of 2012, the Canadian Malartic mine generated a net profit of \$171.6 million and Osisko a net profit of \$68.8 million (\$0.18 per share). In 2011, the year-to-date mine operating profits amounted to \$39.9 million from commencement of commercial production on May 19, 2011, and the Company incurred a net loss of \$19.8 million (\$0.05 per share). In addition to the shorter operation period, the 2011 results were impacted by exploration project write-offs and special incentive awards following the completion of the Canadian Malartic Project.

Operating cash flow amounted to \$55.4 million for the quarter and \$189.8 million for year-to-date, compared to \$49.5 million and \$46.0 million in the corresponding periods of 2011. Investments in mining assets totaled \$189.5 million to date during 2012.

The mine operating statement for the production period is as follows:

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Gold sales (ounces)	95,424	95,675	92,400	75,100	72,100
Silver sales (ounces)	49,751	48,880	52,800	42,100	49,800
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Revenues	158,503	157,134	158,658	128,100	122,879
Production Costs	(81,841)	(98,837)	(71,910)	(74,841)	(74,647)
Royalties	(1,998)	(2,021)	(2,359)	(1,933)	(1,192)
Depreciation	(14,605)	(15,289)	(13,877)	(11,800)	(8,748)
Total	(98,444)	(116,147)	(88,146)	(88,574)	(84,587)
Net Mining Profit	60,059	40,987	70,512	39,526	38,292

Improvements in unit cost in the quarter compared to the second quarter include:

- i. Increased throughput and mill efficiencies;
- ii. Lower contractors' costs;
- iii. Improved mining conditions (second quarter results were impacted by defective boosters in the blasting cycle); and
- iv. Elimination of inefficiencies caused by the May 9, 2012 mill fire;

Key operating results

(in thousands of Canadian dollars, unless otherwise noted)

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Gold Production (oz)	103,753	92,003	91,178	79,718	73,814
Gold Sales (oz)	95,424	95,675	92,400	75,100	72,100
Average Sale Price (US\$/oz)	1,659	1,605	1,698	1,655	1,695
Average Market Price (US\$/oz)	1,652	1,609	1,691	1,688	1,702
Cash Costs per Ounce (C\$/oz)	864	1,015	860	936	918
Cash Costs per Ounce (US\$/oz)	867	1,004	858	914	939
Cash Margin per Ounce (US\$/oz)	792	601	840	741	756
Revenues	158,503	157,134	158,658	128,100	122,879
Mine Operating Profit	60,059	40,987	70,512	39,526	38,292
Net Earnings	26,156	13,271	29,359	37,802	9,302
Net Earnings per Share	0.07	0.03	0.08	0.10	0.02
Operating Cash Flows	55,353	55,698	78,716	39,660	49,512

The production statistics are as follows:

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Tonnes Mined (000's)					
- Ore	4,853	3,234	4,037	3,549	3,005
- Waste	9,215	9,545	8,458	10,590	7,899
- Overburden	1,409	1,740	1,954	1,823	1,029
Total	15,477	14,519	14,449	15,962	11,933
Tonnes Milled (000's)	3,757	3,236	2,965	2,935	3,086
Grade (g Au/t)	0.97	0.99	1.05	0.96	0.85
Recovery (%)	88.7	89.2	91.2	88.3	87.0
Gold production (oz)	103,753	92,003	91,178	79,718	73,814

Mining activities in the period were impacted by a delay in executing a blast of 940,000 tonnes over old underground workings, which limited access to higher grade ore. The blast was successfully completed on October 27, 2012.

During October 2012, mill throughput continued to progress with more than 1.53 million tonnes being milled for an average daily throughput rate of 49,361 tonnes per day. Gold production totaled 36,440 ounces. Ore grade was 0.83 g/t, due to constraints in the mining areas as a result of the delayed blast and processing stockpiled ore. Though throughputs continue to increase in October, recoveries remain above feasibility expectations at 88.9%.

In the first eight days of November, the mill processed at an average daily rate of 52,853 tonnes and achieved a record throughput of 58,476 tonnes on November 4, 2012.

Mill operating statistics continue to show progress in all categories.

	Total Available Hours	Operating Hours	(%)	Tonnage Produced (t)	Tonnes per Hour	Tonnes per Operating Day
Q2 2011	2,184	1,793	82	2,481,196	1,384	29,894
Q3 2011	2,208	1,890	86	3,086,324	1,633	36,742
Q4 2011	2,208	1,995	90	2,934,803	1,471	33,733
Q1 2012	2,184	1,890	87	2,965,456	1,569	35,728
Q2 2012	2,184	1,960	90	3,236,281	1,651	38,074
Q3 2012	2,208	2,071	94	3,756,768	1,814	43,181

Osisko's operating focus for the balance of 2012 will be:

- i. Complete planned mill modifications with the installation of the second pebble crusher;
- ii. Stabilize the operating circuit to reach steady-state throughput design capacity of 55,000 tonnes per day;
- iii. Improve productivity of the mine;
- iv. Focus on optimization of operations and unit cost reduction.

Improved Financial Flexibility

During the second quarter, the Company amended its \$150 million credit facility with CPPIB Credit Investments Inc. ("CPPIB"), a wholly-owned subsidiary of the CPP Investment Board, with CPPIB making available to the Company an additional \$100 million delayed draw term loan. The key terms of the amendment are as follows:

- The initial cash repayment schedule has been extended by one year to June 30, 2013. The reimbursements are based on 50% of free cash flow up to \$60 million per annum.
- CPPIB will make available a delayed draw term loan of \$100 million for working capital and general corporate purposes. Osisko may draw funds under this facility in \$20 million increments, and any funds outstanding are reimbursable by December 31, 2013. No funds were drawn to date on this facility. There are no standby fees related to this tranche.

As part of the agreement, Osisko has agreed to reduce the strike price of share purchase warrants to \$10 for Tranche A (was previously \$10.75) and Tranche B (was previously \$19.25). Of the total 12.5 million of warrants, 5.5 million Tranche B warrants can be accelerated at Osisko's discretion if the share price trades at a 50% premium to the exercise price for a period of 15 days. Tranche A warrants expire on September 24, 2014 and Tranche B warrants are set to expire on December 31, 2015.

A summary of the Company's financial position is as follows:

(\$ Million)	September 30, 2012	December 31, 2011
Cash Position(1)	114.9	142.0
Working Capital	37.8	47.4
Total Assets	2,232.5	2,069.2
Total Debt	327.9	331.6
Shareholders' Equity	1,756.2	1,654.1

(1) Includes Cash and Cash equivalents and Restricted cash.

Osisko made its second installment guarantee payment of \$12.7 million to the Quebec Government on October 1, 2012, to fund future estimated closure costs which are estimated at \$46.4 million. Total funds

deposited with the Government amount to \$34.8 million.

Exploration and Development

The Company continues to conduct exploration work on a regional basis around the Canadian Malartic infrastructure for additional resources and reserves. At Hammond Reef, the Company has initiated work necessary for the Project Feasibility Study, which is expected to be completed in late 2012 or early 2013. The Minister of Environment of Ontario has approved the Terms of Reference for the Environmental Impact Assessment.

The Company has also acquired a significant land package in an emerging Mexican gold belt. To date, approximately 1M hectares of ground have been staked. A systematic greenfield exploration program has been completed, and a significant target has been identified following a high density stream sediment survey, detailed mapping, geochemistry and geophysics work. An initial 10,000 meter drill program was initiated in late October.

Proposed Friendly Acquisition of [Queenston Mining Inc.](#)

On November 12, 2012, Osisko announced that it had entered into a definitive agreement to acquire, on a friendly basis, all of the issued and outstanding common shares of [Queenston Mining Inc.](#) ("Queenston") on the basis of 0.611 of an Osisko common share for each common share of Queenston. Queenston is a Canadian mineral exploration and development company with a primary focus on its holdings in the historic Kirkland Lake gold camp comprising 230km² of exploration lands. Osisko has entered into lock-up agreements with Queenston insiders and certain significant shareholders representing approximately 30% of the issued and outstanding common shares of Queenston. At the date of announcement, the transaction valued Queenston's equity at approximately \$550,000,000, and would result in the issuance of approximately 56,000,000 common shares of Osisko, based on the fully diluted in-the-money common shares outstanding of Queenston, representing approximately 12% of Osisko outstanding common shares, post transaction.

The board of directors of Queenston has unanimously approved the transaction and will recommend that shareholders vote in favor of the transaction. Completion of the transaction, by way of a plan of arrangement, is subject to customary conditions, including court approval, a favourable vote of at least 66 2/3 % of the holders of Queenston common shares and the receipt of all necessary regulatory and stock exchange approvals. Assuming all of the conditions are fulfilled, it is expected the transaction will be completed in late 2012 or early 2013.

Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures including "cash cost per ounce" and "cash margin per ounce" to supplement its consolidated financial statements, which are presented in accordance with International Financial Reporting Standards ("IFRS"). Refer to the Company's Management Discussion and Analysis for the three months ended September 30, 2012.

Q3 Conference Call Information

Osisko will host a conference call on Wednesday November 14th at 8:00am EST, where senior management will discuss the financial results and provide an update of the Company's activities. Those interested in participating in the conference call should dial in at (416) 981-9012 (Toronto local and international), or 1-800-909-4792 (North American toll free). An operator will direct participants to the call.

The conference call replay will be available from 10:00 a.m. EST on November 14, 2012 until 11:59 p.m. EST on November 29, 2012 with the following dial in number: (416) 626-4100 or Toll-free 1-800-558-5253, access code 21607972.

About Osisko Mining Corporation

[Osisko Mining Corporation](#) operates the Canadian Malartic gold mine in Malartic, Quebec and is pursuing exploration on a number of properties, including the Hammond Reef Gold Project in Northern Ontario.

Mr. Luc Lessard, Eng., Senior Vice-President and Chief Operating Officer of Osisko, is the Qualified Person who has reviewed this news release and is responsible for the technical information reported herein,

including verification of the data disclosed.

Cautionary Notes Concerning Estimates of Mineral Resources

This news release uses the terms measured, indicated and inferred resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not economic mineral reserves and that the economic viability of resources that are not mineral reserves has not been demonstrated. In addition, inferred resources are considered too geologically speculative to have any economic considerations applied to them. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for Preliminary Assessment as defined under NI 43-101. Readers are cautioned not to assume that that further work will lead to mineral reserves that can be mined economically.

For further information in relation to the Hammond Reef project, please refer to the "Technical Report on the Hammond Reef Gold Property Atikokan area, Ontario" dated December 20, 2011. For further information in relation to the Canadian Malartic project, please refer to the "Feasibility Study - Canadian Malartic Project (Malartic, Quebec)", dated December 2008. Both of these reports are available under the Osisko profile at www.sedar.com.

Note Regarding Certain Measures of Performance

This press release contains certain non-IFRS measures, including "cash cost per ounce" and "cash margin per ounce". The Company believes that these measures, together with measures determined in accordance with IFRS, provides investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data 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 IFRS.

Forward-Looking Statements

Certain statements contained in this press release may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address events or developments that Osisko expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "scheduled" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur including, without limitation, timely and successful completion of the planned mill modifications with the installation of the second pebble crusher, stabilization of the operating circuit to reach throughput design capacity of 55,000 tonnes per day, improvement of mine productivity, the optimization of the plant and the reduction of cost, positive outcome of any exploration work conducted around the Canadian Malartic infrastructure or at the Hammond Reef project, further development of its Hammond Reef project including timely completion of various studies necessary for the project feasibility study, and positive outcome of any claim to be filed with the Company's explosive contractor. Although Osisko believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, including, without limitation, that all technical, economical and financial conditions will be met in order to achieve such events qualified by the foregoing cautionary note regarding forward looking statements, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements.

Factors that could cause the actual results to differ materially from those in forward-looking statements include gold prices, access to skilled consultants, mining development and construction personnel, results of exploration and development activities, Osisko's limited experience with production and mining operations, uninsured risks, regulatory framework and changes, defects in title, availability of personnel, materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations, unanticipated environmental impacts on operations market prices, continued availability of capital and financing and general economic, market or business conditions. These factors are discussed in greater detail in Osisko's most recent Annual Information Form and in the most recent Management Discussion and Analysis filed on SEDAR, which also provide additional general assumptions in connection with these statements. Osisko cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Osisko believes that the expectations reflected in those forward-looking statements are reasonable, but no

assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release.

Osisko Mining Corporation
Consolidated Balance Sheets
(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	September 30, 2012	December 31, 2011
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	78,260	100,670
Restricted cash	13,006	14,485
Accounts receivable	29,924	39,419
Inventories	82,084	47,552
Prepaid expenses and other assets	8,492	7,174
	211,766	209,300
Non-current assets		
Restricted cash	23,608	26,878
Investments in associates	4,871	1,698
Other investments	18,576	16,041
Property, plant and equipment	1,973,716	1,801,325
Deferred income and mining taxes	-	14,000
	2,232,537	2,069,242
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	90,489	74,562
Current portion of long-term debt	82,220	86,485
Provisions and other liabilities	1,227	824
	173,936	161,871
Non-current liabilities		
Long-term debt	245,696	245,139
Provisions and other liabilities	17,032	6,038
Deferred income and mining taxes	39,714	2,126
	476,378	415,174
Equity attributable to Osisko Mining Corporation shareholders		
Share capital	1,683,185	1,656,034
Warrants	18,261	13,166
Contributed surplus	57,127	55,909
Equity component of convertible debenture	8,005	8,005
Accumulated other comprehensive income	(9,556)	(9,397)
Deficit	(863)	(69,649)
	1,756,159	1,654,068
	2,232,537	2,069,242

Osisko Mining Corporation
Consolidated Statements of Income (Loss)
For the three and nine months ended September 30, 2012 and 2011
(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

Three months ended Nine months ended

	September 30,		September 30,	
	2012	2011	2012	2011
	\$	\$	\$	\$
Revenues	158,503	122,879	474,295	135,308
Mine operating costs				
Production costs	(81,841)	(74,647)	(252,588)	(84,045)
Royalties	(1,998)	(1,192)	(6,378)	(1,351)
Depreciation	(14,605)	(8,748)	(43,771)	(9,986)
Earnings from mine operations	60,059	38,292	171,558	39,926
General and administrative expenses	(7,601)	(6,577)	(20,950)	(24,563)
Exploration and corporate development expenses	(2,852)	(7,774)	(8,105)	(20,934)
Other expenses	-	-	-	(485)
Earnings (loss) from operations	49,606	23,941	142,503	(6,056)
Interest income	233	454	1,145	1,964
Finance costs	(7,983)	(6,995)	(22,825)	(10,766)
Foreign exchange gain (loss)	3,431	(4,331)	3,160	(2,817)
Share of loss of associates	(353)	(29)	(628)	(480)
Other gains (losses)	82	(1,758)	(2,982)	1,326
Earnings (loss) before income and mining taxes	45,016	11,282	120,373	(16,829)
Income and mining tax expense	(18,860)	(1,980)	(51,587)	(2,976)
Net earnings (loss)	26,156	9,302	68,786	(19,805)
Net earnings (loss) per share				
Basic	0.07	0.02	0.18	(0.05)
Diluted	0.07	0.02	0.18	(0.05)
Weighted average number of common shares outstanding (in thousands)				
Basic	388,153	384,307	387,588	382,995
Diluted	390,238	394,528	389,653	382,995

Osisko Mining Corporation

Consolidated Statements of Cash Flows

For the three and nine months ended September 30, 2012 and 2011

(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
	\$	\$	\$	\$
Operating activities				
Net earnings (loss)	26,156	9,302	68,786	(19,805)
Adjustments for:				

Interest income	(233)	(454)	(1,145)	(1,964)
Share-based compensation	2,273	2,327	7,612	7,780
Depreciation	14,765	8,730	44,248	10,304
Finance costs	7,983	6,994	22,825	10,765
Write-off of property, plant and equipment	102	4,895	719	16,276
Gain on disposal of property, plant and equipment	-	-	(319)	-
Unrealized foreign exchange loss (gain)	(3,644)	5,404	(3,469)	3,395
Share of loss of associates	353	29	628	480
Gain on sale of available-for-sale financial assets	(670)	(24)	(602)	(5,041)
Unrealized net loss (gain) on financial assets at fair value through profit and loss	(160)	4,044	1,545	8,515
Unrealized loss on available-for-sale financial assets	-	-	152	-
Impairment on available- for-sale financial assets	428	-	1,522	-
Deferred gain - premium on flow-through shares	-	(2,054)	-	(4,282)
Provisions and other liabilities	1,797	260	1,879	395
Income and mining tax expense	18,860	1,980	51,587	2,976
Other non-cash gain	-	-	-	(639)
	68,010	41,433	195,968	29,155
Change in non-cash working capital items	(12,657)	8,079	(6,201)	16,885
Net cash flows from operating activities	55,353	49,512	189,767	46,040
Investing activities				
Net decrease in short-term investments	-	3,045	-	17,068
Net decrease in restricted cash	4,238	954	4,749	1,644
Acquisition of investments	(3,404)	(989)	(10,950)	(12,283)
Proceeds on disposal of investments	1,364	204	1,838	12,038
Property, plant and equipment, net of government credits	(57,876)	(60,231)	(189,504)	(297,254)
Interest received	232	555	1,027	2,169
Net cash flows from investing activities	(55,446)	(56,462)	(192,840)	(276,618)
Financing activities				
Debt issuance costs	(6)	(617)	(116)	(635)
Finance lease payments	(5,736)	(3,004)	(16,702)	(3,823)
Long-term debt repayments	(1,250)	(1,250)	(3,750)	(2,083)
Issuance of common shares, net of expenses	8,409	18,885	17,896	38,776
Interest paid	(5,588)	(5,281)	(16,665)	(7,391)
Net cash flows from				

financing activities	(4,171)	8,733	(19,337)	24,844

Increase (decrease) in cash and cash equivalents	(4,264)	1,783	(22,410)	(205,734)
Cash and cash equivalents - beginning of period	82,524	150,976	100,670	358,493

Cash and cash equivalents - end of period	78,260	152,759	78,260	152,759

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