

International Minerals Updates 2013 Cost Reduction Plans and Project Updates

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SCOTTSDALE, AZ -- (Marketwired - Jul 16, 2013) - [International Minerals Corporation](#) (Toronto and Swiss stock exchanges: the "Company" or "IMZ") (TSX: IMZ) (SWISS: IMZ) reports an update to the Company's previously-announced cost reduction plans for calendar year 2013. All amounts are in US dollars.

The Company's cost reduction plans detailed in its May 15, 2013 news release included significant decreases in projected cash outflows totaling \$14.1-\$14.6 million for calendar year 2013.

Updated estimates of cash outflows by IMZ now anticipate a total decrease of approximately \$17.0-17.5 million in 2013, a further reduction of \$2.9 million compared to the May 15, 2013 estimate.

IMZ remains in a strong financial position with over \$54 million in cash and equivalents. The Company's expected cash outflow for the remainder of calendar year 2013 is now approximately \$4.0-4.3 million, excluding any contribution to Inmaculada capital cost (see below).

Pallancata Silver Mine, Peru

Revised 2013 estimated cost reductions, 40% attributable to IMZ, are now estimated to be \$14.7 million (previous estimate was \$11.7 million) and comprise:

- \$13.3 million in mining operations (\$5.3 million attributable to IMZ).
- \$1.4 million in exploration costs (\$0.6 million attributable to IMZ).

IMZ's partner and mine operator (Hochschild Mining) continues to review these costs and other options to further optimize operating/capital costs, production grades and mining/processing methods and further information will be provided as and when received.

To date in 2013 the Company has received \$5.9 million in cash distributions from its 40% interest in the Pallancata Mine. Although further cash distributions from Pallancata are not expected in 2013 because of depressed metal prices, IMZ management is confident that the cash flow from the mine will be sufficient to fund ongoing operations and that at current metal prices IMZ should not be required to provide any additional funding for Pallancata from its treasury.

Estimated production for 2013 of 7.4 million ounces of silver and 26,000 ounces of gold remains unchanged.

Inmaculada Gold Project, Peru

The initial capital cost estimate remains stable at approximately \$373 million. Of this amount, \$125 million (34%) has already been spent and fixed price contracts comprise a further \$168 million (45%). Only \$80 million (21%) is excluded from fixed price contracts and therefore the risk of significant future cost escalation has been minimized.

Of the total \$373 million capital cost, the Company's remaining share of funding is approximately \$50 million. It is anticipated that \$3 million will be required to be funded by IMZ in late 2013, with the balance in the first half of 2014. IMZ is currently evaluating its options to fund the remaining balance of \$47 million.

Updated operating cost estimates at Inmaculada remain to be finalized, but are not expected to increase significantly compared to the January 2012 feasibility study costs.

The estimated reduction in exploration costs at Inmaculada (previously announced in the May 15, 2013 news release) remains unchanged at approximately \$2.4 million (40%, or \$1.0 million attributable to IMZ).

Nevada - Gemfield Gold Project and General Exploration (100% IMZ)

- Estimated cost reductions for 2013 are now \$8.0-\$8.3 million (previously \$6.5-\$6.8 million), the difference comprising \$1.0 million in delayed engineering and permitting costs at Gemfield and \$0.5 million in reduced exploration spending in Nevada.

- Estimated capital cost of Gemfield remains unchanged at \$151 million.

Permitting at Gemfield is expected to formally commence in July and take approximately 18 months to complete. The current project schedule assumes that detailed engineering and equipment procurement would take place in 2014. If by year-end 2013 current market conditions have not improved, or permitting has not advanced as expected, then project development costs could be delayed until permitting is completed.

IMZ is currently evaluating its options with respect to advancing Gemfield either on a stand-alone basis (using debt and/or equity financing) or with a strategic joint venture partner.

Other Cost Reductions

The previously-announced May 15, 2013 cost reductions for general exploration in Peru (\$1.5-\$1.7 million) and for IMZ corporate overheads and investor relations (\$0.48-\$0.50 million) remain unchanged at this time.

General

Mr. Roberto Baquerizo has resigned his position as a director of the Company to focus on his financial consulting activities. The Company wishes to thank him for his valued financial and political advice during his six-year tenure on the IMZ Board. A new director is expected to be appointed shortly.

The technical information reported in this news release was reviewed by IMZ's Qualified Person, VP Corporate Development, Nick Appleyard.

Hochschild Mining plc does not accept any responsibility for the adequacy or inadequacy of the disclosure made in this news release and any such responsibility is hereby disclaimed in all respects.

Cautionary Statements:

Some of the statements contained in this release are "forward-looking statements" within the meaning of Canadian securities law requirements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements in this release include statements regarding: estimates of exploration, capital and operating costs; timing and scale of production; timelines for project financing and permitting. Factors that could cause actual results to differ materially from anticipated results include risks and uncertainties such as: uncertainties relating to estimates of production and processing rates; variation in exploration, capital and operating costs; risks of obtaining mining and environmental permits; mining and development risks; risk of commodity price fluctuations; political and regulatory risks; and other risks and uncertainties detailed in the Company's Annual Information Form for the year ended June 30, 2012, which is available at www.sedar.com under the Company's name.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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