

Geologix Explorations: Statement of Tepal Cash Costs to New World Gold Council Standards and Current Metals Price Volatility

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 24, 2013) - In acknowledgement of the World Gold Council's ("WGC") recently released guidelines regarding both All-In Costs and All-in Sustaining Cash Costs, Geologix Explorations

(TSX:GIX)(OTCQX:GIXEF)(FRANKFURT:GF6)(BERLIN:GF6)(STUT:GF6)(MUN:GF6) ("Geologix," the "Company") has elected to present the projected cash costs for its Tepal Project ("Tepal") in Mexico in accordance with these new standards. These cash costs were originally articulated in Tepal's Prefeasibility Report ("PFS"), which was press released on March 19, 2013 and filed with SEDAR on May 7, 2013.

"Geologix is committed to both an open dialogue with our investors and transparency in our reporting," stated Dunham Craig, the Company's President and CEO. "We endorse the World Gold Council's new standards, which facilitate the comparison of different mining projects. Our decision to align the presentation of Tepal's anticipated cash costs with the new WGC guidelines is a clear indication that we welcome these comparisons. Furthermore, in an effort to acknowledge the recent decline in metal prices, we have also articulated how our cash costs will vary in a variety of metal pricing scenarios. We believe that Tepal's anticipated cash costs, net of by-products, compare very favourably relative to other projects of all scopes and geographies. We further believe that Tepal's strong cash flow potential will ultimately provide our Company with multiple financing options, despite the challenges presented by the current capital markets climate."

Geologix recognizes that Tepal's anticipated cash costs possess a strong by-product component, and that this component will be impacted by changes in by-product prices. The recent volatility of metal prices introduces additional uncertainty regarding Tepal's forecasted life of mine cash costs, net of by-product credits. In an effort to address this uncertainty, Geologix is also providing stakeholders with an analysis of Tepal's cash costs' sensitivity to various metal price scenarios.

The Company is confident that Tepal's low cash costs, net of by-product credits and viewed on either a gold or a copper basis, allow for profitable production under all of these price scenarios.

Cash costs in the following tables are non-GAAP estimates with no standard meaning under IFRS. The Tepal PFS Base Case uses 4 year trailing metal price averages of \$1390/ounce gold, \$3.44/lb. copper and \$26.03/ounce silver. All amounts are stated in \$US.

Cash Costs per Ounce of Gold as per World Gold Council Standards

Tepal PFS Base Case (net of by-products)	Life of Mine
Total Cash Costs - Au. - \$M	
Direct on-site mining costs	\$ 1,729
Direct on-site general & administrative costs	\$ 80
Treatment & refining charges on concentrate sales	\$ 80
Royalties	\$ 81
Transport costs	\$ 115
By-product credits, copper and silver	\$ (1,807)
Total Cash Costs (net of by-product) - Au. - \$M	\$ 277
Divided by ounces of gold	1,164,312
Total Cash Costs per gold ounce	\$ 238
All-in Sustaining Costs - Au. - \$M	

Total Cash Costs	\$	277
Corporate general & administrative costs ⁽¹⁾	\$	17
Reclamation & closure costs ⁽²⁾	\$	(7)
Sustaining capital expenditures ⁽³⁾	\$	51
All-in Sustaining Costs - Au. - \$M	\$	338
<i>(1) Estimated at 5% of All-in Sustaining Costs at Base Case Au. \$1,390, Ag. \$26.03, Cu. \$3.44</i>		
<i>(2) Includes estimated salvage value of \$34M</i>		
<i>(3) Excludes capital expenditures for development</i>		
Divided by ounces of gold		1,164,312
All-in Sustaining Costs per gold ounce	\$	290

Metal Price Sensitivity Analysis - All-In Sustaining Costs per Ounce of Gold as per World Gold Council Standards

	Price of Au./Ag.					
	Price of Cu.	\$1,100 / \$18	\$1,200 / \$20	PFS 5 Year Avg \$1,286 / \$23.68	PFS 4 Year Avg \$1,390 / \$26.03	PFS 3 Year Avg \$1,518 / \$29.58
	\$ 2.75	\$ 594	\$ 591	\$ 584	\$ 581	\$ 575
	\$ 3.00	\$ 488	\$ 486	\$ 479	\$ 476	\$ 470
PFS 5 Year Avg	\$ 3.32	\$ 353	\$ 351	\$ 344	\$ 341	\$ 335
PFS 4 Year Avg	\$ 3.44	\$ 303	\$ 300	\$ 294	\$ 290	\$ 285
PFS 3 Year Avg	\$ 3.71	\$ 189	\$ 187	\$ 180	\$ 177	\$ 171

Given the role copper production is expected to play in Tepal's profitability, Geologix has also elected to present its cash costs for copper production along the same guidelines.

Cash Costs per Pound of Copper as per World Gold Council Standards

Tepal PFS Base Case (net of by-products)	Life of Mine
Total Cash Costs - Cu. - \$M	
Direct on-site mining costs	\$ 1,729
Direct on-site general & administrative costs	\$ 80
Treatment & refining charges on concentrate sales	\$ 80
Royalties	\$ 81
Transport costs	\$ 115
By-product credits, gold and silver	\$ (1,695)
Total Cash Costs (net of by-product) - Cu. - \$M	\$ 390
Divided by payable pounds of copper	503,066,503
Total Cash Costs per copper pound	\$ 0.77
All-in Sustaining Costs - Cu. - \$M	
Total Cash Costs	\$ 390
Corporate general & administrative costs ⁽¹⁾	\$ 17
Reclamation & closure costs ⁽²⁾	\$ (7)
Sustaining capital expenditures ⁽³⁾	\$ 51
All-in Sustaining Costs - Cu. - \$M	\$ 450
<i>(1) Estimated at 5% of Au. All-in Sustaining Costs at Base Case Au. \$1,390, Ag. \$26.03, Cu. \$3.44</i>	
<i>(2) Includes estimated salvage value of \$34M</i>	
<i>(3) Excludes pre-production capital expenditures for development</i>	
Divided by payable pounds of copper	503,066,503
All-in Sustaining Costs per copper pound	\$ 0.89

Metal Price Sensitivity Analysis - All-In Sustaining Costs per Pound of Copper as per World Gold Council Standards

	Price of Au./Ag.					
	Price of Cu.	\$1,100 / \$18	\$1,200 / \$20	PFS 5 Year Avg \$1,286 / \$23.68	PFS 4 Year Avg \$1,390 / \$26.03	PFS 3 Year Avg \$1,518 / \$29.58
	\$ 2.75	\$ 1.58	\$ 1.34	\$ 1.13	\$ 0.88	\$ 0.57

	\$	3.00	\$	1.58	\$	1.35	\$	1.13	\$	0.88	\$	0.58
PFS 5 Year Avg	\$	3.32	\$	1.59	\$	1.36	\$	1.14	\$	0.89	\$	0.58
PFS 4 Year Avg	\$	3.44	\$	1.60	\$	1.36	\$	1.14	\$	0.89	\$	0.59
PFS 3 Year Avg	\$	3.71	\$	1.60	\$	1.36	\$	1.15	\$	0.90	\$	0.59

After-Tax Cash Cost Analysis

In the interest of providing investors with an enhanced level of understanding regarding the anticipated cost of production at Tepal, Geologix has also elected to provide forecasts for its all-in sustaining cash costs on an after tax basis. World Gold Council standards do not include tax costs. As a result, the forecast cash costs detailed below will not be comparable to those of other companies electing to display their costs on a WGC basis.

Cash Costs per Ounce of Gold-World Gold Council Standard PLUS Taxes

All-in Sustaining Costs After Tax - Au. - \$M	
Total All In Sustaining Costs	\$ 338
Taxes	\$ 234
All-in Sustaining Costs After Tax - Au. - \$M	\$ 572
Divided by ounces of gold	1,164,312
All-in Sustaining Costs After Tax per gold ounce	\$ 492

†Tepal PFS estimate

Metal Price Sensitivity Analysis - All-In Sustaining Costs per Ounce of Gold, World Gold Council Standard PLUS Taxes

				PFS 5 Year Avg			PFS 4 Year Avg			PFS 3 Year Avg
	Price of Cu.	\$1,100 / \$18	\$1,200 / \$20	\$1,286 / \$23.68	\$1,390 / \$26.03	\$1,518 / \$29.58				
	\$ 2.75	\$ 642	\$ 652	\$ 671	\$ 700	\$ 732				
	\$ 3.00	\$ 549	\$ 577	\$ 597	\$ 625	\$ 657				
PFS 5 Year Avg	\$ 3.32	\$ 454	\$ 481	\$ 501	\$ 528	\$ 560				
PFS 4 Year Avg	\$ 3.44	\$ 419	\$ 445	\$ 465	\$ 492	\$ 523				
PFS 3 Year Avg	\$ 3.71	\$ 337	\$ 364	\$ 383	\$ 410	\$ 441				

Cash Costs per Pound of Copper-World Gold Council Standard PLUS Taxes

All-in Sustaining Costs After Tax - Cu. - \$M	
Total All In Sustaining Costs	\$ 450
Taxes	\$ 234
All-in Sustaining Costs After Tax - Cu. - \$M	\$ 685
Divided by payable pounds of copper	503,066,503
All-in Sustaining Costs After Tax per copper pound	\$ 1.36

†Tepal PFS estimate

Metal Price Sensitivity Analysis - All-In Sustaining Costs per Pound of Copper, World Gold Council Standard PLUS Taxes

				PFS 5 Year Avg			PFS 4 Year Avg			PFS 3 Year Avg
	Price of Cu.	\$1,100 / \$18	\$1,200 / \$20	\$1,286 / \$23.68	\$1,390 / \$26.03	\$1,518 / \$29.58				
	\$ 2.75	\$ 1.69	\$ 1.48	\$ 1.33	\$ 1.15	\$ 0.93				
	\$ 3.00	\$ 1.72	\$ 1.56	\$ 1.41	\$ 1.23	\$ 1.01				
PFS 5 Year Avg	\$ 3.32	\$ 1.83	\$ 1.66	\$ 1.50	\$ 1.33	\$ 1.10				
PFS 4 Year Avg	\$ 3.44	\$ 1.86	\$ 1.69	\$ 1.54	\$ 1.36	\$ 1.14				
PFS 3 Year Avg	\$ 3.71	\$ 1.94	\$ 1.77	\$ 1.62	\$ 1.44	\$ 1.22				

Link to the Company's March 19, 2013 Press Release Announcing Results of Tepal's PFS:

www.geologix.ca/i/pdf/2013-03-19_NR.pdf.

Link to the Complete PFS for Tepal: www.geologix.ca/i/pdf/JDS_TepalReport_May-1-2013-sm.pdf.

On behalf of the Board of Directors,

Dunham Craig, President & CEO

About Geologix

[Geologix Explorations Inc.](http://www.geologix.ca) is a mineral exploration and development company focused on acquiring, exploring, and developing mineral resource opportunities with the potential to host profitable mining operations. The Company's primary focus is the Tepal Gold-Copper Porphyry Project in Michoacán state, Mexico. In March 2013, the Company announced a Prefeasibility Study for the Project that indicated an 11.5 year mine life with payable production of 1.12 M oz. gold and 503 M lbs., resulting in a post-tax NPV of \$421 million at a 5% discount rate. The positive results of this study have led the Company to continue to work towards both completing a Feasibility Study for the Project and arranging the necessary financing to advance the Project to production.

Contact

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activities or performance and involve risks and uncertainties, and that the Company's future business activities may differ materially from those in the forward-looking statements as a result of various factors.

Such risks, uncertainties and factors are described in the periodic filings with the Canadian securities regulatory authorities, including the Company's Annual Information Form and quarterly and annual

Management's Discussion & Analysis, which may be viewed on SEDAR at www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be

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