

Corsa Files Second Quarter 2013 Financial Results

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TORONTO, July 29, 2013 /CNW/ - [Corsa Coal Corp.](#) (TSXV: CSO) ("Corsa" or the "Company") announces that it has filed its Condensed Interim Consolidated Financial Statements and Management's Discussion and Analysis for the three months and six months ended May 31, 2013 on SEDAR and has posted these documents to its website www.corsacoal.com.

Second Quarter highlights included:

- Metallurgical coal sales of 83,000 tons.
- Maintains sales guidance at 300,000 to 320,000 tons of metallurgical coal for fiscal 2013.
- Cash cost of metallurgical coal sales of \$71 per ton (1).
- Successful commencement of the Company's first highwall mining operation at the Hemminger surface mine and commencement of operations at Ankeny surface mine.
- Conditional TSXV acceptance of the Quintana transaction and closing scheduled for on or about July 31, 2013.

Refer to the Condensed Interim Consolidated Financial Statements and Management's Discussion and Analysis for the three and six months ended May 31, 2013 for the details of the financial performance of the Company and the matters referred to in this release including the technical reports and independent qualified person.

Don Charter, President and Chief Executive Officer, stated "The second quarter was a great quarter for the Company operations. With the Casselman mine operating for virtually the entire quarter at full production with the current two unit configuration, we were able to achieve further cost reductions with a cash cost of \$38 per ROM ton (2) of coal produced at the Casselman mine during the quarter. In addition, the commencement of the Hemminger high wall operation and opening of the Ankeny surface mine together with entering the final stage of permitting of the Acosta underground project the Company is well positioned for continued expansion. Corsa continues to successfully position itself as a new and expanding US supplier of low volatile metallurgical coal"

(1) (2) These are non-GAAP measures. See "Non-GAAP Measures" below.

Production and Sales

References in this news release to "Q2 2013" means the three months ended May 31, 2013 and to "6M 2013" means the six months ended May 31, 2013, unless otherwise noted.

Production of raw metallurgical coal from the Company's mines was 123,000 tons in Q2 2013, of which 116,000 tons were from the Casselman mine and 7,000 tons were from surface mines. Production of raw metallurgical coal from the Company's operations was 183,000 tons in 6M 2013; of which 165,000 tons were from the Casselman Mine and 18,000 tons were from surface mines.

The Company has the ability to purchase raw metallurgical coal from third parties in order to increase the amount available for blending and processing at the Preparation Plant. In Q2 2013, the Company purchased 2,000 tons of raw metallurgical coal. In 6M 2013, the Company purchased 8,000 tons of raw metallurgical coal.

The Preparation Plant processed 119,000 tons of raw metallurgical coal in Q2 2013 and produced 77,000

tons of clean metallurgical coal. The Preparation Plant processed 175,000 tons of raw metallurgical coal in 6M 2013 and produced 115,000 tons of clean metallurgical coal in 6M 2013. The increase in production resulted from the increase in sales orders. The average recovery rate in the plant was 64.7% in Q2 2013 and 65.7% in 6M 2013. The Company expects the average recovery rate for the balance of fiscal 2013 to be between 60% and 70%.

Production of thermal coal from surface mines was 11,000 tons in Q2 2013 and 14,000 tons in 6M 2013. The thermal coal production is ancillary to metallurgical coal production.

In Q2 2013, the Company sold 83,000 tons of clean metallurgical coal at an average realized price of \$105 per ton and 16,000 tons of thermal coal at an average realized price of \$28 per ton. In 6M 2013, the Company sold 119,000 tons of clean metallurgical coal at an average realized price of \$104 per ton and 10,000 tons of raw metallurgical coal at an average realized price of \$63 per ton and 49,000 tons of thermal coal at an average realized price of \$35 per ton.

Outlook

While the metallurgical coal market continued to be volatile, the Company has continued to be successful in achieving sales as a result of the quality of its low volatile metallurgical coal product. The Company's current guidance for fiscal 2013 is clean metallurgical coal sales of between approximately 300,000 and 320,000 clean tons, of which 119,000 tons have been sold in the first six months of the year leaving approximately 181,000 to 201,000 tons for the balance of the year. In addition, the Company currently expects clean metallurgical coal sales of between 45,000 and 60,000 tons in the first fiscal quarter of 2014. This guidance is based on currently contracted sales which are direct to both domestic and international steel producers. The Company continues to actively market its high quality low volatile metallurgical coal and match production to actual sales.

Update on the Quintana Transaction

July 24, 2013, the Company announced the TSX Venture Exchange has conditionally accepted Corsa's previously announced proposed transaction with Quintana Kopper Glo Investment, LLC, a portfolio company of Quintana Energy Partners L.P. and its affiliated investment funds (collectively, "Quintana"), which, when the transaction contemplated is fully completed, will result in Corsa having raised a total of US\$40 million at Cdn\$0.17 a share and acquiring Kopper Glo, a Tennessee based coal producer, from Quintana and Quintana having acquired a control position in Corsa. The Quintana Transaction is expected to close on or about July 31, 2013. See the press release of the Company dated July 24, 2013 and the Filing Statement dated July 24, 2013 filed on SEDAR for full details of the Quintana Transaction, including the closing conditions.

Caution

The estimated coal production, purchases, sales and mining cash costs per ton of coal and processing costs per ton of coal sold disclosed in this press release are considered to be forward looking information. Readers are cautioned that actual results may vary from this forward looking information. Actual production, purchases, total cash costs, sales and processing costs are subject to variation based on a number of risks and other factors referred to under the heading "Forward-Looking Statements" below as well as demand and sales orders received. Costs will be impacted by production levels actually achieved.

Non GAAP Measures

Management uses non-GAAP measures as internal measurements of production costs and performance for the Company's mining and processing operations. Management believes these non GAAP measures provide useful information for investors as they provide information in addition to the GAAP measures to assist in their evaluation of those operating costs which impact on Corsa's cash resources.

(1) Cash cost of metallurgical coal sales per ton is a non-GAAP measure and is the total of cost of coal sold expense and royalties expense for clean metallurgical coal divided by the tons sold. Cost of coal sold

expense includes all cash operating cost at the mines, the cost of purchased coal and the cash operating cost of processing related to clean metallurgical coal and royalties expenses includes all production and sales royalties related to clean metallurgical coal.

(2) Cash cost of ROM coal per ton is a non-GAAP measure and is and is the total of cash operating cost and royalties cost divided by the tons produced. Cash operating cost, which is a non-GAAP measure, is defined as the cost of coal sold expense plus (i) the increase in inventory from the previous period and its impact in the statement of operations for the reporting period, or less (ii) the decrease in inventory from the previous period and its impact in the statement of operations for the reporting period. Inventory is calculated at lower of cost or net realizable value. Royalties cash cost, which is a non-GAAP measure, is defined as royalties expense plus (i) the increase in inventory from the previous period and its impact in the statement of operations for the reporting period, or less (ii) the decrease in inventory from the previous period and its impact in the statement of operations for the reporting period. Inventory is calculated at lower of cost or net realizable value.

Reference is made to the Management's Discussion and Analysis and the Condensed Consolidated Financial Statements for the three and six months ended May 31, 2013 for a reconciliation of non GAAP measures to GAAP measures.

Information about Corsa

Corsa's primary business is the mining, processing and selling of low volatile metallurgical coal, as well as actively exploring, acquiring and developing resource properties consistent with its coal business.

Forward-Looking Statements

Certain information set forth in this press release contains "forward-looking statements" and "forward-looking information" under applicable securities laws. Except for statements of historical fact, certain information contained herein relating to projected sales and the expected date of completion of the Quintana Transaction constitutes forward-looking statements which include management's assessment of future plans and operations and are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "estimates", "expects" "anticipates", "believes", "projects", "plans", "outlook", "capacity" and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: risks that the actual production or sales for the 2013 fiscal year and the first fiscal quarter of 2014 will be less than projected production or sales for these periods; risks that the Quintana Transaction will not be completed or will be delayed; risks that the prices for coal sales will be less than projected or expected; liabilities inherent in coal mine development and production including restarting idled mines; geological, mining and processing technical problems; inability to obtain required mine licenses, mine permits and regulatory approvals or renewals required in connection with the mining and processing of coal; risks that the Company's coal preparation plant will not operate at production capacity during the relevant period, unexpected changes in coal quality and specification; variations in the coal mine or coal preparation plant recovery rates; dependence on third party coal transportation systems; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; changes in the regulations with respect to the use, mining and processing of coal; changes in regulations on refuse disposal; the effects of competition and pricing pressures in the coal market; the oversupply of, or lack of demand for, coal; inability of management to secure coal sales or third party purchase contracts; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of coal products, including labour stoppages and severe weather conditions; the demand for and availability of rail, port and other transportation services; the ability to purchase third party coal for processing and delivery under purchase agreements; and management's ability to anticipate and manage the foregoing factors and risks. The forward-looking statements and information contained in this press release are based on certain assumptions regarding, among other things, coal sales being consistent with expectations; future prices for coal; future currency and exchange rates; the Company's ability to generate sufficient cash flow from operations and access capital markets to meet its future obligations; the regulatory framework representing royalties, taxes and environmental matters where the Company conducts business; coal production levels;

and the Company's ability to retain qualified staff and equipment in a cost-efficient manner to meet its demand. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on forward-looking statements. The Company does not undertake to update any of the forward-looking statements contained in this press release unless required by law. The statements as to the Company's capacity to produce coal are no assurance that it will achieve these levels of production or that it will be able to achieve these sales levels.

Investors are cautioned that, except as disclosed in the filing statement prepared in connection with the Quintana Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Corsa should be considered speculative.

The TSX Venture Exchange has in no way passed on the merits of the Quintana Transaction and neither approved nor disapproved the contents of this press release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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