

Endomines AB: Summary of Interim Report January – June 2013

14.08.2013 | [Business Wire](#)

STOCKHOLM -- (BUSINESS WIRE) -- Regulatory News: [Endomines AB](#) (STO:ENDO) (HEX:ENDOM):

The full interim report is found on the company's website in Swedish only.

Highlights Q2/2013

- Gold production 168.1 kg (244.5), -31%
- Revenues 28.4 MSEK (84.2), -66% which is mainly due to lower sales volumes, realized gold prices and no gold hedge for the second quarter 2012
- EBITDA before unrealized losses/gains on derivatives -24.9 MSEK (44.6)
- Profit after tax from continued operations -7.5 MSEK (3.7)
- Earnings per share from continued operations -0.09 SEK (0.05)
- Secondary listing on NASDAQ OMX Helsinki 14 May
- Capacity expansion project has been completed
- The Karelian Gold Line environmental impact assessment study completed
- Endomines and Cove Resources have agreed to extend Longstop Date for sale of Kalvinit Oy

Highlights H1/2013

- Gold production 348.5 kg (413.3), -16 %
- Revenues 68.6 MSEK (118.7), -42 %
- EBITDA before unrealized losses/gains on derivatives -16.0 MSEK (46.0)
- Profit after tax from continued operations -12.9 MSEK (-6.3)
- Earnings per share from continued operations SEK -0.15 (-0.08)
- Cash funds at end of Q2 100.2 MSEK (31 December 2012: 69.0)
- Directed share issue 45.2 MSEK in April securing a more expansive exploration program for at least the coming two year

Production guidance and outlook for 2013

- Gold production is expected to increase significantly during the second half of the year compared to the first half and the production guidance for the full year is 800 – 900 kg
- New updated ore reserves and mineral resource estimates will be published in Q1 2014

Key financial data

MSEK, unless otherwise stated	Q2 2013	Q1 2012	Q1 - Q2 change	2013	2012	change		
Revenues	28.4	84.2			-55.8			
EBITDA before unrealized loss on derivatives		-24.9	44.6	-69.5	-16.0	46.0	-62	
EBIT	-18.0	8.6			-26.6			-1
as % of revenues	-63.4%		10.3%					
Net result from continued operations			-7.5		3.7			
Earnings per share from continued operations		-0.09	0.05	-0.14	-0.15	-0.08		
Gold production. kg	168.1		244.5			-76.4		
Cash Cost. USD/oz	1,441		692		749			
Total cash flow	11.5		-14.9		26.4			
Cash funds at end of period		100.2			29.8			

Comments to operations

Second quarter

The result for the second quarter was affected by several negative effects like low production volume due to mining low grade ore and lower market prices for gold. Due to mining low grade ore the flotation concentrate had a lower gold grade which increased the smelting cost. This affected the realized gold price negatively. The realized gold price hedge affected the result for Q2/2013 whereas there was no gold price hedge effective for Q2/2012. A cost accrual regarding the ore stock pile affected the Q2 result but actually related to Q1.

Pampalo Gold Mine

Gold production during the quarter was 168.1 kg, which was lower than target due to mining mainly from low grade areas in the underground mine and low grade upper levels of the Pampalo East open pit. The gold production for the first six months 2013 was 348.5 kg.

2013 full year production guidance was revised in July to 800 – 900 kg gold from previous 900-1,000 kg.

The Pampalo processing plant capacity expansion project has now been completed. The design capacity is 50 tonnes/hour equalling an annual capacity of 420,000 tonnes. Endomines expects to operate the plant at an annual capacity utilization of up to 380,000 tonnes in accordance with the current environmental permit.

Key production figures [1]

	Q3-2012	Q4-2012	Q1-2013	Q2-2013	Roll 12	FY 2012	
Mined ore (tonnes)		61,988			69,950		90,386
Milled ore (tonnes)		64,177			59,446		58,851
Head grade (Au gram/tonne)			3.2		5.4		3.5
Gold recovery (%)		85.5		87.2		88.4	
Hourly utilization (%)		95.0			88.1		88.8
Gold production (kg)		175.8			277.4		180.4
Gold production (oz)		5,652			8,919		5,800
LTIFR (12 month rolling)[2]			10		9		0
OPEX/ (EUR/tonne)		64		90		70	
OPEX/ (SEK/tonne)		535		778		598	
Cash cost (USD per oz)rolling 12 months			811	753	745	954	954
Cash cost (USD per oz)[3]			804			686	1 081

Exploration and Karelian Gold Line development

Exploration financing is secured for at least the coming two years. The exploration program that is aiming to increase life-of-operations significantly is on-going according to plan. Totally three diamond core drilling rigs have been utilized to drill at Korvilansuo, Hosko and Rämepuro deposits. Until end of June 5,800 m (67 holes) have been drilled.

Overburden removal at Rämepuro satellite mine is on-going and industrial scale test mining of ore has commenced. The ore will be trucked and processed at the Pampalo processing plant during the coming quarters. Full scale mining is expected to start early 2014.

An environmental impact assessment study of the production consequences at the currently known seven satellite gold deposits along the Karelian Gold Line has been completed and submitted to North Karelian Centre for Economic Development, Transport and the Environment. The environmental impacts of mining and ore transports from the currently known gold deposits Hosko, Kuivisto, Pampalo NW, Rämepuro, Muurinsuo, Korvilansuo and Kuittila to the Pampalo processing plant, as well as the impact on people's living conditions have been thoroughly researched in the report. All activities from mining preparation to site rehabilitation have been included. The study is covering the currently estimated life cycle of the operations extending to 2020.

Endomines has further agreed with the environmental authorities that a renewal of the environmental permit for Pampalo will be included in the currently on going environmental permit application for Rämepuro. The purpose of this procedure is to ensure as fast collective handling of the environmental permits as possible.

Company

In March the Company completed a directed new share issue raising a net of 45 MSEK. The purpose of the share issue was to finance accelerated exploration along the Karelian Gold Line. There was significant interest for this issue and an allotment of 7,944,000 shares was made to mainly Swedish and Finnish investors. Following the issue, the number of shares amounts to 87,385,625 of which the new shares correspond to approximately 9.1 per cent of the share capital. The Company's share capital was increased by SEK 23.8 MSEK to SEK 262.2 MSEK.

In May the Company was secondary listed on NASDAQ OMX Helsinki. First day of trading was 14 May 2013. Endomines shall maintain its primary listing on NASDAQ OMX Stockholm. No new shares were issued in connection with the secondary listing.

Endomines and Cove Resources agreed to vary the Longstop Date under the Share Purchase Agreement signed July 2012, as amended by the Deed of Variation in April 2013, between Endomines and Cove relating to the sale and purchase of 100% of the shares in Kalvinit Oy. The Longstop Date was extended on a monthly basis for a period of up to six months from the current Longstop Date of 15 May 2013. At Closing, Cove agrees to pay Endomines a further amount of approx. 0.4 MSEK (EUR 50,000) for each month the Longstop Date is extended. The maximum additional price according to the variation is approx. 2.6 MSEK (EUR 300,000).

Personnel

The number of personnel at the Company by the end of the reporting period was 96 own employees. Seven of these were holiday employees. Of the regular staff 78 people were working at the Pampalo Gold Mine, seven people were working in exploration and four people were employed in the administration for Endomines AB in Stockholm and Ilomantsi. The contractors working at the Pampalo Gold Mine had 31 employees.

Gold price

During the last months the gold market situation has changed and there are several different opinions regarding the future gold price trend. The company is monitoring the price as well as the price forecasts closely in order to optimize our operations accordingly.

About Endomines AB Endomines AB is a Nordic mining and exploration company with its first operating gold mine in production since February 2011. The mine is located in Eastern Finland, on the Karelian Gold Line, a 40 km long gold critical belt, where Endomines controls all currently known gold deposits.

The company's business practices and mining operations are based on sustainable principles and on minimizing the impact on the environment.

Endomines applies SveMin's & FinnMin's respective rules for reporting (public mining & exploration companies). It has chosen to report mineral resources and ore reserves according to the JORC-code, which is the internationally accepted Australasian code for reporting ore reserves and mineral resources.

The shares of Endomines AB are quoted on NASDAQ OMX Stockholm under ticker ENDO and on NASDAQ OMX Helsinki under ticker ENDOM. Pareto Öhman acts as Liquidity Provider.

This news release may contain forward-looking statements, which address future events and conditions, which are subject to various risks and uncertainties. The Company's actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company's control. These factors include: the availability of funds; the timing and content of work programs; results of exploration activities and development of mineral properties, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimations, receipt and security of mineral property titles; project cost overruns or unanticipated costs and expenses, fluctuations in metal prices; currency fluctuations; and general market and industry conditions.

Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

Endomines AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 08:45 CET on August 14th, 2013.

[1] Production figures for Q2/2013 are based on the company's own assaying and not confirmed by an external laboratory. Figures are individually rounded.

[2] LTIFR = The Lost Time Injury Frequency Rate is based on reported lost time injuries on a rolling 12-month bases resulting in one day/shift or more off work per 1,000,000 hours worked. LTIFR has been calculated for the whole Company.

[3] Endomines calculates "Cash cost" per ounce figures using the guidance issued by The Gold Institute Production Cost Standard. Mining, ore processing and site administration and off-site smelting and refining costs are included to the "cash cost" but amortization, reclamation, capital and exploration costs are excluded, i.e. "Cash Cost" is calculated per payable ounces. "Cash Cost" figure is furnished to provide additional information and is a non-IFRS measure. Conversion from EUR to USD made by average rate for the period EUR/USD. Cash cost for Q1 2013 has been changed due to the accrual effect on the value of the or stock pile.

This information was brought to you by Cision <http://news.cision.com>

Contacts

Markus Ekberg
CEO of [Endomines AB](#)
tel. +358 40 706 48 50
or visit www.endomines.com

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/154909--Endomines-AB--Summary-of-Interim-Report-January--June-2013.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](#).