

Sirocco Mining Inc. Releases Q3 2013 Financials

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VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Nov 7, 2013) - [Sirocco Mining Inc.](#) ("Sirocco" or "the Company") (TSX:SIM) is pleased to report financial and operating results for the three and nine month periods ended September 30, 2013. The consolidated financial statements together with Management's Discussion and Analysis will be available on the Company's web site (www.siroccomining.com) and on SEDAR (www.sedar.com).

Iodine production in the three months ended September 30, 2013 ("Q3 2013") was 320 tonnes, a 24% increase over the same period in 2012 ("Q3 2012"). Following an unusually cold winter which impacted the flows from the heap leach pads in Q3 2013 and the completion of modifications to the mobile mining screens to improve equipment availability, increased production is expected in Q4 2013. Sirocco is now forecasting to produce approximately 1,500 tonnes of iodine in 2013 compared to the original guidance of 1,600. With operating costs relatively fixed, unit production costs are forecasted to decrease in Q4 2013.

In Q3 2013, the Company successfully implemented a new iodine marketing strategy. This strategy allows the Company to be more flexible in meeting customer demand by reducing the delivery time of product from the historic 12 to 14 weeks to one to two weeks and by improving its ability to fill larger order sizes. In order to implement this marketing initiative, during Q3 2013, the Company curtailed sales to allow for the build-up of inventory and commencement of delivery of consignment stock to key geographical areas. With this build-up of inventory in place, sales orders have recommenced and related revenues will be recorded starting in Q4 2013.

Key operating statistics and financial results for Q3 2013 and Q3 2012 are provided in the table below.

	Three months ended		Nine Months Ended	
	Sept-13	Sept-12	Sept-13	Sept-12
Tonnes mined ('000t)	1,478	1,191	3,440	3,589
Average grade of ore mined (ppm)	485	551	506	525
Iodine produced (t)	320	259	1,070	941
Iodine sold (t)	-	238	476	907
Iodine avg. price (\$/kg)	-	63	53	62
Cash operating cost (\$/kg) (Note 1)	41	46	36	39
Total revenues (\$000's) (Note 2)	-	14,961	25,114	56,275
Gross profits (\$000's) (Note 2)	-	4,347	5,198	20,240
Net income (Loss) (\$000's) (Note 2)	(2,592)	(244)	(4,991)	7,975
Income (loss) per share basic and diluted (\$)	(0.01)	0.00	(0.02)	0.03
Total assets (\$000's)			223,421	189,382
Long-term liabilities (\$000's)			26,946	7,705

Note 1: this is a non-GAAP measure. It was calculated by dividing cost of sales, adjusted for the change in inventory and the related depreciation and stock-based compensation, by quantities of iodine produced in the period.

Note 2: compared to 2012, 2013 financial results were negatively affected by the curtailment of sales as result of a new marketing strategy, lower iodine prices, a \$2.0 million write-down of the historical equity investment in Amssega (Mauritania) and higher exploration costs. See Q3 2013 financial statements and MD&A for complete details.

The capital expansion projects for 2013 are continuing on schedule. The installation of a SAG mill, due for completion by the end of Q1 2014, will enable the Agitated Leach Plant to operate at a throughput of 400 tonnes of ore per hour, increasing total production rates to over 2,000 tonnes of iodine per annum.

Commenting on the results, Rick Clark, CEO, stated: "Compared to 2012, in 2013 we expect production to increase and cash operating costs to decrease. At the same time, we expect our new marketing strategy aimed at improving the delivery time of our finished iodine product to our customers to increase demand and broaden our customer base, fully justifying the temporary disruption in sales and revenues. This new marketing strategy is very timely as the iodine market is experiencing increased competition among producers resulting in a softening of iodine prices in recent months."

Sirocco stands at September 30, 2013 with a strong balance sheet that includes \$64 million in cash, working capital of \$76 million. Accordingly, the Company remains in a strong financial position to satisfy its short-term cash flow requirements in Q4 2013 while sales recommence and revenues are once again being recorded.

A conference call to discuss the financial and operating results will be held at 11 am EDT on Thursday November 7, 2013. Participants should dial in on 1 416 644 3417 or Toll Free 1 877 974 0446 and follow the prompts. A replay of the call will be available until midnight on August 21, 2013 by dialing 1 416 640 1917 or Toll Free 1 877 289 8525, Passcode: 4634525#.

About the Company

[Sirocco Mining Inc.](#) is a Canadian company which produces iodine from its Aguas Blancas mine in northern Chile. In addition, the Company has exploration interests in West Africa and is actively assessing other opportunities in the resource sector.

Cautionary Statements

This news release contains forward-looking statements concerning the Company's plans for its business and properties,. These forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to political risks involving the Company's exploration and development of its properties, the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations, the inability or failure to obtain adequate financing on a timely basis and other risks and uncertainties, including those described in the Company's periodic filings with the British Columbia Securities Commission. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not intend to update this information, except as required by law, and disclaims any legal liability to the contrary.

On behalf of the Board,

Rick Clark
President and CEO

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