Mercator Minerals Reports Third Quarter 2013 Results

15.11.2013 | Marketwired

(*All US$ unless otherwise specified*)

VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Nov 15, 2013) - Mercator Minerals Ltd. (TSX:ML) ("Mercator" or the "Company") today announced its financial and operating results for the three month and nine month period ended September 30, 2013. For the third quarter 2013 ("Q3 2013"), the Company reported revenues of $49.4 million, an operating loss of $3.5 million before asset impairment charge*, a net loss of $151.9 million ($0.48 per share, basic), or an adjusted net loss* of $7.9 million ($0.03 per share). Included in the net loss is $167.8 million (or $0.53 per share) non-cash accounting charge for the impairment of the El Creston project and Mineral Park mine.

Q3 2013 HIGHLIGHTS AND SIGNIFICANT ITEMS

- Production for Q3 2013 totaled 19.8 million copper equivalent** pounds, comprised of 9.9 million pounds of copper in concentrates and cathode, 2.1 million pounds of molybdenum.
- During the quarter, the Company achieved recoveries of 81.6% and 79.7%, for copper and molybdenum, which continue to be above design rates of 80% and 75%, respectively.
- Average throughput was 37,634 tons per day ("tpd"), at an average ore grind index of 12.5 kilowatt hour per ton ("kwh/t"), was impacted by a number of factors including, but not limited to, mining through harder sections of the mineral deposit and financial constraints, which resulted in lower equipment availability, and other operating factors discussed that resulted in sub-optimal operating conditions.
- Administration expenses, excluding non-cash stock base compensation, decreased 32% in Q3 2013 from Q3 2012 to $1.3 million.
- Working capital deficit (excluding non-cash derivative liabilities and deferred revenue) was $94.4 million as at September 30, 2013. The working capital deficit included $73.3 million of the Mineral Park credit facility, project facility and equipment loans that were required to be reclassified to current liabilities from long-term liabilities as a result of Mineral Park Inc. not making the September 30, 2013 principal payment (see September 30, 2013 and October 31, 2013 press releases) and the possible breach of covenants for the project facility, and certain overdue accounts payable.
- Based on the Company's market capitalization in relation to its book value as at September 30, 2013, the decrease in molybdenum and copper prices since December 31, 2012, operating challenges at Mineral Park mine and the continued deferral to develop the El Creston project, the Company has reviewed its estimated net present value of future cash flows for Mineral Park and El Creston. As a result of the analysis, a non-cash asset impairment charge of $167.8 million ($135.1 million for Mineral Park and $32.7 million for El Creston) was recorded within operating expenses.
- During Q3 2013, the amendment to the silver purchase agreement with Silver Wheaton, previously announced on October 22, 2012, was completed. The amendment allows the deferral of up to 50 percent of the refined silver the Company is obligated to deliver to Silver Wheaton under the terms of the Silver Purchase Agreement for a period of up to one year. As of September 30, 2013, the Company had deferred 79,742 ounces with a total liability of $1.5 million.

OVERVIEW

$ millions unless otherwise noted	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Revenues	49.4	58.5	168.2	185.1

Operating (loss)/profit before asset impairmentcharge*	(3.5)	1.9	(11.7)	14.1
Asset impairment charge	167.8	-	167.8	-
Net loss	(151.9)	(15.1)	(141.3)	(13.5)
Loss per share (basic)	(0.48)	(0.06)	(0.45)	(0.05)
Adjusted net loss*	(7.9)	(3.7)	(27.5)	(5.7)
Adjusted loss per share* (basic)	(0.03)	(0.01)	(0.09)	(0.02)
Cash flow (used by)/from operations, before non-cash working capital changes	(2.0)	2.1	(10.1)	10.7
Production (million pounds)				
- Copper	9.9	10.7	28.8	30.1
- Molybdenum	2.1	2.5	7.3	7.4
- Copper equivalent**	19.8	22.5	63.0	64.7
Total tons mined (millions)	5.7	7.0	20.1	22.0
Throughput (tons per day)	37,634	42,042	41,831	45,769
Ore grind index (kwh/t)	12.5	10.9	11.5	10.6
Recoveries (%)				
- Copper	81.6	84.5	81.0	78.8
- Molybdenum	79.7	82.4	80.2	77.4
On-site operating costs ($/ton milled)	10.84	11.28	10.87	10.11
Cash costs* on a co-product basis ($/lb)				
- Copper	2.88	2.67	2.78	2.45
- Molybdenum	8.61	9.49	10.11	10.69
Average realized prices ($/lb)				
- Copper (excluding hedges)	3.36	3.65	3.29	3.71
- Molybdenum	9.47	10.71	10.40	12.54
Shipments (million pounds)				
- Copper	8.9	8.2	27.8	24.3
- Molybdenum	2.0	2.6	7.1	7.3

Revenues were 16% lower in Q3 2013 than in Q3 2012, primarily due to 8% lower copper prices realized, 12% lower molybdenum prices realized and shipping 23% less molybdenum, all of which was partially offset by 9% higher copper shipments. Cash costs* of production, when comparing Q3 2013 to Q3 2012, on a co-product accounting basis, were 8% higher for copper and 9% lower for molybdenum. Despite lower throughputs and operating challenges experienced in Q3 2013, cost reduction initiatives achieved in the quarter lowered on-site operating costs on a per ton milled basis to $10.84, which were 4% lower than in Q3 2012. During the quarter, production was impacted by financial constraints causing sub-optimal operating conditions and mining primarily in harder ore sections of the pit, all of which resulted in lower average throughput and lower recovery rates when comparing Q3 2013 to Q2 2012 (see *Mineral Park Mine* discussion below for further details). As a result of the above noted operating factors, gross profit, before asset impairment charge*, was a loss of $3.5 million in Q3 2013, as compared to a gross profit of $1.9 million in Q3 2012. In addition to the impact of the mining operations, variations in the net loss achieved in Q3 2013 of $151.9 million, as compared to Q3 2012, were negatively impacted by the $167.8 million non-cash asset impairment charge, realized and unrealized gains/losses on derivative instruments, and non-cash share based compensation and taxes, all of which were offset by further cost reduction initiatives in administration expenses. Administration expenses, excluding non-cash share based compensation expenses, of $1.3 million were 32% lower in Q3 2013 when compared to Q3 2012.

MINERAL PARK MINE

For Q3 2013, Mineral Park produced 9.9 million pounds of copper in concentrates and copper cathode and 2.1 million pounds of molybdenum in concentrates. Production during Q3 2013 at Mineral Park was impacted by a number of factors including, but not limited to, mining through harder sections of the mineral deposit and financial constraints which resulted in lower equipment availability. Mining in Q3 2013 was primarily in the Ithaca and Turquoise pits which resulted in an average ore grind index mined of 12.5 kwh/t (10.9 kwh/t in Q3 2012). A number of factors, including lower equipment availability and mining harder ore, resulted in throughput rates of 37,634 tpd in the quarter, lower than Q3 2012 throughput rates of 42,042 tpd. The harder ore and other factors discussed below also impacted recovery rates, which were 81.6% and 79.7% for copper and molybdenum, respectively. Mill design rates for copper and molybdenum recovery are 80% and 75%, respectively. Mining in these pits were positively impacted production by mining higher than planned ore grades, with copper and molybdenum grades mined being 0.162% and 0.039%, respectively.

Given the financial constraints at Mineral Park, significant emphasis has been placed on prudently managing working capital levels. Lower working capital levels have negatively impacted production levels in Q3 2013 as the focus has been to pay suppliers in a timely manner and to lower spare part inventory levels. The lower spare part inventory levels has caused increased downtime due to lower mining and milling equipment availability and lower levels of grinding media, reagents and lower blasting materials available. Mineral Park is currently blasting in a wider than optimum pattern which results in courser ore to enter the mill, thereby also lowering throughput rates. Throughput rates and production levels are expected to return to normalized levels once working capital constraints are relieved.

On-going cost reduction initiatives in Q3 2013, which included a 10% work force reduction at MPI, along with the significant emphasis placed on prudently managing working capital levels, has resulted in onsite operating costs of $10.84 per ton milled, or 4% lower than in Q3 2012. Cash cost of production, on a co-product accounting basis, in Q3 2013 were $2.88 per pound and $8.61 per pound, respectively for copper and molybdenum, which were 8% higher and 9% lower, respectively, than in Q3 2012.

Strategic Review

As previously announced on September 30, 2013, the board of directors along with its advisors, BMO Capital Markets, continues to advance the process of reviewing strategic alternatives for the Company. The strategic alternatives being considered include, but are not limited to, a sale of the Company, a business combination with another entity, a sale of all or a portion of the assets of the Company, a strategic investment in the Company or any combination thereof.

The Company continues to hold discussions with a number of interested parties. At present, there can be no assurance as to what, if any, strategic alternatives might be pursued by the Company. The Company does not intend to disclose further details with respect to its review of strategic alternatives unless and until the board of directors has approved a specific transaction or it otherwise determines that disclosure is appropriate.

As such, management will not be hosting a webcast/conference call to discuss Q3 2013 operating and financial results, nor will be providing production guidance while the strategic review is in progress.

Financial Statements and Management Discussion & Analysis (MD&A)

This press release is prepared as at November 14, 2013 and should be read in conjunction with the MD&A and Financial Statements for the three and nine months ended September 30, 2013. These documents will be posted on Mercator's website on SEDAR (sedar.com) under the Company's profile and on the Company's website (mercatorminerals.com/s/FinancialStatements.asp).

*** Alternative Performance Measures**

This press release refers to "cash costs", "adjusted net income (loss)" and "operating profit before asset impairment charge" which are not performance measures recognized as having a standardized meaning under IFRS. The Company discloses these performance measures, which have been derived from the financial statements on a consistent basis, because the Company believes they are of assistance in understanding the results of Mercator's operations and financial position, and are meant to provide further information about the Company's financial results to the investors. These performance measures may not be comparable to similar data presented by other mining companies. This information should not be considered in isolation or as a substitute for measure of performance prepared in accordance with IFRS. Readers should refer to "*Alternative Performance Measures*" section on page 22 of the September 30, 2013 MD&A for additional information.

****Copper equivalent production**

All references to copper equivalent production for 2013 and 2012 is calculated using a molybdenum/copper ratio of 4.65, based on the Company's beginning of year estimated 2013 metals prices, including adjustments for copper hedging.

Quality Assurance/Quality Control

The Technical Information contained in this news release of has been prepared under the supervision of, and its disclosure has been reviewed by Gary Simmerman, BSC, Mining Eng., FAusIMM, former employee and current consultant to the Company, who is deemed to be Qualified Persons under NI 43-101.

About Mercator Minerals Ltd.

Mercator Minerals Ltd., a TSX listed base metals mining company, operates the wholly-owned copper/molybdenum/silver Mineral Park Mine in Arizona, USA. Mercator also wholly-owns two development projects in Sonora, Mexico: the copper heap leach El Pilar project and the molybdenum/copper El Creston property.

For further information please visit www.mercatorminerals.com.

On Behalf of the Board of Directors MERCATOR MINERALS LTD.

D. Bruce McLeod, P.Eng.
President and CEO

Forward-Looking Information

This press release contains certain forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as "forward-looking statements", are not historical facts, are made as of the date of this press release and include without limitation, statements regarding discussions of future plans, guidance, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the successful completion of strategic alternatives and the ability to meet obligations under the Credit Facility and other debt instruments may constitute forward looking statements. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, certain transactions, the successful completion of strategic alternatives and the ability to meet obligations under the credit facilities and other debt instruments, certain approvals, changes in commodity and power prices, changes in interest and currency exchange rates, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials, equipment and third-party contractors, delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, and changes in general economic conditions or conditions in the financial markets.

In making the forward-looking statements in this press release, the Company has applied several material assumptions, including without limitation, the assumptions that: (1) market fundamentals will result in sustained copper and molybdenum demand and prices; (2) the current copper leach operations at Mineral Park remain viable, operationally and economically; and (3) the milling operations at Mineral Park will continue to be viable, operationally and economically. The words "guidance", "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," "target," "budget," "plan," "projection" and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The risks and assumptions are described in more detail in the Company's Annual Information Form, audited financial statements and MD&A for the year ended December 31, 2012 and the quarter ended June 30, 2013 on the SEDAR website at www.sedar.com. The Company does not assume the obligation to revise or update these forward-looking statements after the date of this news release or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

National Instrument 43-101 Compliance

Unless otherwise indicated, Mercator has prepared the technical information in this news release ("Technical Information") based on information contained in the technical reports, annual information form, news releases, material change reports and quarterly and annual consolidated financial statements and management discussion and analysis (collectively the "Disclosure Documents") available under Mercator Minerals Ltd.'s company profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by *or under the supervision of a qualified person (a "Qualified Person") as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administration ("NI 43-101"). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.*

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