

# QMX Announces Total Revenue of \$8.11 Million in the Third Quarter of 2013

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TORONTO, ONTARIO--(Marketwired - Nov 15, 2013) - [QMX Gold Corp.](#) (TSX:QMX)("QMX Gold" or the "Company") sold 5,885 ounces of gold at an average price of \$1,362. Total revenue for the third quarter of 2013 was \$8.11 million. All figures are reported in Canadian dollars, unless noted otherwise.

## Q3 and Year to Date Financial Summary:

	Q3 2013	Q2 2013	Q1 2013	Nine months ending September 30, 2013
Total Revenue	\$8.11 Million	\$7.38 Million	\$6.40 Million	\$21.89 Million
Mine Operating Earnings (loss)	\$633,877	(\$990,000)	(\$1.04 Million)	(\$1.39 Million)
Ounces Recovered	5,549	5,275	4,141	14,965
Ounces Sold	5,885	5,366	4,100	15,351
Average Sale Price	\$1,362	\$1,456	\$1,641	\$1,469
Cash Cost Per Ounce*	\$978	\$1,283	\$1,568	\$1,242
Cash Flow from Operating Activities	\$2.02 Million	\$1.23 Million	\$2.31 Million	\$5.57 Million
Net Gain (Loss)	(\$31.85 Million)	(\$6.38 Million)	(\$4.04 Million)	(\$42.27 Million)

\*See Non-IFRS Measures

## Third Quarter Results From Operations

In the third quarter of 2013, the Aurbel Mill processed 40,403 tonnes of ore with a head grade of 4.62 g/t Au and the mill achieved an average recovery rate of 92.6%. This yielded 5,549 ounces of gold. The continued increase in ounces recovered has been attributed to the Company mining out regions with higher grades as part of the plans to minimize capital development initiatives in the short term.

Revenue from mining in the third quarter was \$8.11 million, generated from the sale of 5,885 ounce of gold and an average sale price of \$1,362 per ounce, down from an average sale price of \$1,456 per ounce in Q2 2013. Mine operating expenses, which include amortization and depletion of \$1.48 million, were \$7.48 million, generating an operating income of \$0.633 million for the quarter.

The comprehensive net loss for the quarter was \$31.74 million or \$0.98 per share. This is the result of a non-cash impairment charge related to the pending sale of the Snow Lake Property in Snow Lake, Manitoba to [Northern Sun Mining Corp.](#) (formerly Liberty Mines Inc.). See press release dated October 2, 2013.

Cash generated by operating activities for the quarter increased to \$2.02 million compared to \$1.23 million for Q2 2013.

The cash cost per ounce during the quarter was \$948 per ounce (see non-IFRS Measures), a further decrease from \$1,283 per ounce in the second quarter and \$1,568 per ounce in the first quarter. This significant reduction in cash costs is directly attributed to cost management measures that are in effect at Lac Herbin, the mining out of higher grade zones and improved recovery rates experienced at the Aurbel Mill.

## Financial Results for Nine Months Ending September 30, 2013

In the nine months ending September 30, 2013, QMX Gold sold a total of 15,351 ounces of gold generating \$21.89 million in revenue for the company. The average sale price was \$1,469 per ounce. In this same period, mine operating expenses totaled \$19.07 million and depreciation amounted to \$4.21 million for a

gross loss of \$1.39 million. The net loss for the nine months ending September 30, 2013 was \$42.27 million (including a \$31.74 impairment charge from Q3). The average cash cost per ounce was \$1,242. Cash provided by operating activities for the nine months ending September 30, 2013 was \$5.57 million compared to cash used of \$1.23 million in the same period of 2012.

As at September 30, 2013, the Company made the required interest payments on its short term loan facility, but continued to be in breach of some covenants contained in the loan agreement. As a result, the lender exercised certain of their rights under the loan agreement and limited the Company's access to certain bank accounts and was controlling certain cash disbursements, including applying funds in such accounts against interest and fees payable to them.

Subsequent to the end of the quarter, QMX Gold and the lender entered into a waiver and amendment to the loan agreement whereby QMX transferred \$1.0 million as a security deposit to the lender to cover unpaid and accrued interest and to cover a \$100,000 waiver fee with any remaining funds to be used against the principal due at maturity. Accordingly, the lender has waived the breach and the Company has regained access to its accounts.

## **Operational Outlook**

### **Lac Herbin**

The Lac Herbin mine continues to operate under cost reduction measures, which have had a significant impact on the Company's operational cash costs. Operational guidance for the mine remains at annual production levels of 20,500 to 23,000 ounces of gold at an average cash cost of between \$1,200 and \$1,400 per ounce for 2013.

In the third quarter, QMX Gold milled approximately 10,000 tonnes of ore under the custom milling agreement with Armistice Resources from their McGarry Mine in Kirkland Lake, Ontario. Under the agreement, QMX is responsible for the handling, milling and refining of ore and handles the tailings disposal of ore and the agreement will have QMX Gold mill a minimum of 30,000 tonnes of ore over a one year period. QMX Gold is also seeking further custom milling opportunities to supplement production and generate additional revenue.

### **Snow Lake**

On October 2, 2013, QMX Gold entered into an agreement to sell the Snow Lake Property to Northern Sun Mining Ltd. (formerly Liberty Mines Inc.). Proceeds from the sale will be used to pay out the short term lending facility in full.

Commenting on the financial results, Brett New, President and CEO, said: "The results of our cost reduction plan have shown progress with a decrease in our operational cash costs. I'm also pleased to report that the Aurbel Mill continues to perform well in processing ore from the Lac Herbin mine and under the custom milling arrangement, which has generated additional cash flow for the company." Mr. New continued by stating "In the third quarter, QMX Gold continued to be affected by weakness in the price of gold, which hindered the company from finding an equity solution to finance the Snow Lake Mine. Subsequently, an alternate solution had to be found to address the loan facility coming due in November 2013. Because of this, Management and the Board decided that the best option was to divest the Snow Lake property and focus efforts on obtaining further custom milling opportunities, while also looking for other strategic opportunities in Quebec."

## **Delisting Review by TSX**

During the quarter, the Toronto Stock Exchange ("TSX") has informed QMX Gold that it has initiated a delisting review because the market value of publicly held common shares of QMX Gold fell below levels required under TSX listing requirements. The TSX will undertake the review pursuant to its continued listing criteria, including criteria with respect to QMX Gold's financial condition and operating results, and the market value of QMX Gold's common shares. The Company has been granted 120 days in which to regain

compliance with all requirements for a continued listing. If the TSX determines that QMX Gold's common shares should be delisted, the Company may consider alternative listing arrangements. There are no assurances as to the outcome of the delisting review, or as to whether QMX Gold common shares will remain listed on the TSX or whether an alternative listing will be achieved.

Complete interim financial statements and related Management's Discussion and Analysis are available under the Company's profile on [www.sedar.com](http://www.sedar.com) and at the Company's website [www.qmxgold.ca](http://www.qmxgold.ca)

## About QMX Gold

[QMX Gold Corp.](http://www.qmxgold.ca) is a Canadian publicly traded mining company focusing on mine development and exploration in Quebec and Manitoba. QMX Gold continues to operate in the Val d'Or area with production estimated at 20,500-23,500 ounces of gold per year. The Company also owns property at the Snow Lake Mine which has a Measured and Indicated Mineral Resource of 5.4 million tonnes grading 4.45 g/t Au for approximately 720,000 oz of gold. The Snow Lake Mine is expected to produce 80,000 ounces of gold per year.

Full details of the Snow Lake Project, including in regard to the mineral resource estimate, are outlined in the Technical Report titled "Snow Lake Mine Re-activation Project" dated December 10, 2010 and prepared by: Andre Roy (Eng.) Jamie Lavigne (P.Geo), David West (P.Eng), Ian Ward (P.Eng), Matthew Parfitt (P.Eng), Mark Bednarz (P.Geo), which is available on the SEDAR profile of the Company at [www.sedar.com](http://www.sedar.com).

## Qualified Person

Technical programs and information included in this release have been reviewed and approved by Patrick Sévigny, eng., Vice President of Quebec Operations and a Qualified Person as defined under NI 43-101.

## Non-IFRS Measures

The Company has included certain non-IFRS performance measures, namely, cash costs per gold ounce sold throughout this document. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. It is a non-IFRS measure. In addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following tables provide a reconciliation of cash costs per gold ounce sold for the three and nine months ended September 30, 2013 and 2012.

Cash cost per ounces sold:

Period ending	Three months ending Sept 30, 2013	Three months ending Sept 30, 2012	Nine months ending Sept 30, 2012
Ounces sold	5,885	5,287	15,351
Mine operating expenses (CAD 000's)	\$5,757	\$7,221	\$19,072
Cash cost per ounce sold (CAD)	\$978	\$1,366	\$1,242
(mining operating expenses divided by ounces sold)			

## Cautionary Note Regarding Forward-Looking Information and Mineral Resources:

*This press release contains or may be deemed to contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements (express or implied) relating to financial results, production results and/or the impact of such production results with respect to the mine at Lac Herbin, the timing, cost and/or amount of future exploration and development of the property, the closing of the Snow Lake sale transaction, the processing of more custom mill feed, the timing, cost and/or amount of future production, the future price of gold or other*

*minerals, the mineral resource estimates, the successful implementation of development plans at any of the Company's properties and/or the future financial or operating performance of QMX Gold, its properties and/or its projects. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company, its properties and/or its projects to be materially different from those expressed or implied by such forward-looking information, including but not limited to those risks described in the annual information form of the Company, which is available under the profile of the Company on SEDAR. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. It should also be noted that mineral resources that are not mineral reserves do not have demonstrated economic viability.*

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