

U.S. Silver & Gold provides first quarter production update

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TORONTO, April 30, 2014 /CNW/ - [U.S. Silver & Gold Inc.](#) (TSX: USA, OTCQX: USGIF) ("U.S. Silver & Gold" or the "Company") today announced production figures for its Galena Mine Complex in Idaho.

Highlights

- Galena Complex production for the quarter of 460,490 silver equivalent ounces¹ including 385,503 silver ounces which represents a 33% decrease in silver production compared with Q1, 2013. As previously announced in the January 20, 2014 and March 24, 2014 press releases, the Company had forecasted Q1, 2014 to be the lowest production and highest cost quarter of the year. Cash costs for the quarter were \$18.64 per ounce silver, a reduction of 9% over Q1, 2013.
- Guidance for 2014 silver production remains at 2.0 - 2.4 million ounces at cash costs of \$14.50 - \$15.50 per ounce and all-in cash costs of \$18.00 - \$19.00 per ounce.
- Two main factors contributed to the expected lower production in the first quarter: 1) planned sand cycles to a number of productive high-grade silver/copper stopes between mid-February and early March caused overall silver grade to drop by 27% versus fourth quarter 2014; and 2) the transition of workers mining lower-grade silver/copper stopes to development of new wider, higher value silver/lead stopes. This transition is expected to lead to higher silver equivalent production and significantly lower cash and all-in costs for the remainder of the year.
- April production has already shown a material increase in silver, lead and copper production, with production well-exceeding the production rates from the fourth quarter of 2013 and the first quarter of 2014. Second quarter silver production is expected to exceed 500,000 ounces and exceed 600,000 silver equivalent ounces.
- Cost initiatives implemented last year continue to show improvement in the bottom line. Although first quarter silver production was down 33% compared with the same period in 2013, cash costs and all-in cash costs were reduced by almost 9% and 15% respectively. The Company is constructively working with our salaried and unionized workforce to target an additional \$2 million in annualized savings through labour and benefit adjustments in addition to the ongoing cost reduction initiatives already in place. These savings will be reinvested into the development of wider, high grade silver/lead stopes in the upper areas of the mine. These stopes will be lower cost as they are wider, allow for mechanized mining and provide higher tonnage. The grades of these targeted areas are 15 - 20 ounce per ton silver equivalent.
- As of March 31, 2014, the Company's cash balance totaled approximately \$7.3 million.

The Company expects to release its first quarter financial results on Tuesday, May 13, 2014.

"As previously highlighted, the first quarter was expected to be our lowest production, highest cost quarter of the year, as we mined lower grade silver/copper stopes due to expected sand cycles in a number of our highest grade areas, and began the transition to mine the wider, higher silver equivalent grade silver/lead veins in the upper levels of the mine," said Darren Blasutti, President and CEO of U.S. Silver & Gold. "Our guidance for full year production and costs remains unchanged. Silver production in the second quarter will increase to over 500,000 ounces of silver and exceed 600,000 silver equivalent ounces at cash costs and all-in costs within our guidance range."

Galena Complex First Quarter Production Details

The Galena Complex produced 385,503 ounces of silver during the first quarter of 2014 at a grade of 10.4 ounces per ton and a cash cost of \$18.64 per ounce of silver. As expected, production for the quarter decreased by 33% because a number of high-grade stopes were unavailable due to planned sand cycles, and personnel were transitioning from lower grade silver/copper stopes to the development of wider, higher grade silver/lead stopes. Further, high grade silver/lead stopes on the 5200 level were inaccessible for mining during the first quarter as the Company continued to make progress in resolving citations related to routine maintenance in #3 Shaft. This work is being completed in accordance with plans submitted to the

Mine Safety and Health Administration and these stopes will be accessible during the second quarter, and for the remainder of the year. Cash costs during the quarter fell by 9%, a significant reduction over costs during the first quarter of 2013, despite this being the lowest production quarter of the year

	Q1 2014	Q1 2013	Change	Q4 2013
Processed Ore (tons milled)	38,646	62,826	-38%	32,377
Production (ounces)	385,503	577,095	-33%	449,652
Grade (ounces per ton)	10.45	9.55	9%	14.37
Cash Costs	\$ 18.64	\$ 20.48	-9%	\$ 6.26
All-in Sustaining Costs (\$ per ounce silver)	\$ 23.95	\$ 28.29	-15%	\$ 21.02
Lead (pounds)	1,020,285	1,772,256	-42%	1,453,811
Copper (pounds)	176,825	261,618	-32%	227,047

Quality Assurance / Quality Control ("QA/QC")

U.S. Silver & Gold maintains a QA/QC Program for all assays, including the use of standards, blanks and duplicates. All QA/QC results are routinely evaluated using a program of QA/QC monitoring. Details of the program are provided in the Company's NI 43-101 compliant Technical Report on the Galena Project dated March 22, 2013.

About U.S. Silver & Gold Inc.

[U.S. Silver & Gold](#) is a silver and gold mining company focused on growth from its existing asset base and execution of targeted accretive acquisitions. It owns and operates the Galena Mine Complex in the heart of the Silver Valley/Coeur d'Alene Mining District, Shoshone County, Idaho which produces high-grade silver and is the second most prolific silver mine in U.S. history, delivering over 200 million ounces to date. The Caladay Zone is being evaluated for bulk mining development. U.S. Silver & Gold also owns the Drumlummon Mine Complex in Lewis and Clark County, Montana.

Mr. Daren Dell, Vice President, Technical Services and a Qualified Person under Canadian Securities Administrators guidelines, has approved the applicable contents of this news release.

For further information please see SEDAR or www.us-silver.com.

Cautionary Statement Regarding Forward Looking Information:

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information includes, but is not limited to, the Company's expectations intentions, plans, and beliefs with respect to, among other things, the Galena Complex and the Drumlummon Mine. Often, but not always, forward-looking information can be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may", and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions, or statements about future events or performance. Forward-looking information is based on the opinions and estimates of the Company as of the date such information is provided and 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 to be materially different from those expressed or implied by such forward looking information. This includes the ability to develop and operate the Galena and Drumlummon properties, risks associated with the mining industry such as economic factors (including future commodity prices, currency fluctuations and energy prices), failure of plant, equipment, processes and transportation services to operate as anticipated, environmental risks, government regulation, actual results of current exploration activities, possible variations in ore grade or recovery rates, permitting timelines, capital expenditures, reclamation activities, social and political developments and other risks of the mining industry. Although U.S.

Silver & Gold 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. Readers are cautioned not to place undue reliance on such information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific those contribute to the possibility that the predictions, forecasts, and projections of various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

¹ Silver equivalent calculation is based on prices of \$20 per ounce silver, \$0.95 per pound lead and \$3.00 per pound copper.

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