

Amerigo Announces Q1-2014 Financial Results

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- Revenues of \$32.4 million

- \$4.5 million cash flow from operations, \$389,000 net loss

- Cauquenes Contract finalized

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 8, 2014) - [Amerigo Resources Ltd. \(TSX:ARG\)](#) ("Amerigo" or the "Company") reported today results for the three months ended March 31, 2014. The Company posted revenues of \$32.4 million and generated \$4.5 million in cash flow from operations before changes in non-cash working capital.

Amerigo's Chairman and CEO, Dr. Klaus Zeitler, stated, "We have now opened up a new area in Colihues with increased extraction levels and I am therefore looking forward to higher production levels, particularly in the second half of the year. The Company's annual guidance for 2014 remains at production of 45 million pounds of copper and 800,000 pounds of molybdenum, with cash costs projected to be between \$2.15 and \$2.25 per pound of copper.

"As previously announced, the contract for the acquisition of the processing rights to the Cauquenes deposit and the extension of the Company's right to process El Teniente tailings from 2021 to 2037 is now in place, and we continue to expect to receive all required environmental approvals during the current quarter. The due diligence being performed by BBVA, the lead bank in the expansion financing syndicate is virtually complete, and the results are being provided to other potential syndicate members. As a result, we expect to break ground on the expansion project during the second half of 2014."

Comparative Annual Overview

	Three months ended March 31,			
	2014	2013	Change	
			\$	%
Copper produced, million pounds	10.2	12.8	(2.63)	(20 %)
Copper sold, million pounds	10.2	12.5	(2.30)	(18 %)
Molybdenum produced, pounds	125,016	258,301	(133,285)	(52 %)
Molybdenum sold, pounds	110,774	240,744	(129,970)	(54 %)
Percentage of copper production from old tailings	45 %	49 %		(4 %)
Revenue (\$ thousands)	32,370	43,161	(10,791)	(25 %)
Cost of sales ⁽¹⁾ (\$ thousands)	31,706	38,037	(6,331)	(17 %)
El Teniente royalty costs (\$ thousands)	6,421	10,700	(4,279)	(40 %)
Gross profit (\$ thousands)	664	5,124	(4,460)	(87 %)
Net (loss) profit (\$ thousands)	(389)	3,238	(3,627)	(112 %)
Operating cash flow (\$ thousands) ⁽²⁾	4,503	7,335	(2,832)	(39 %)

Cash flow paid for plant expansion (\$ thousands)	(3,402)	(3,645)	(243)	(7 %)
Cash and cash equivalents (\$ thousands)	8,142	13,280	(5,138)	(39 %)
Bank debt (\$ thousands)	-	999	(999)	(100 %)
Average realized copper price per pound	3.36	3.52	(0.16)	(5 %)
Cash cost per pound ⁽³⁾	2.22	1.99	0.23	12 %
Total cost per pound ⁽³⁾	3.38	3.15	0.23	7 %

(1) Includes El Teniente royalty costs

(2) Excluding working capital changes

(3) Cash and total costs are non-GAAP measures. Refer to the Company's March 31, 2014 MD&A for a reconciliation measures to GAAP.

Financial results

- Revenue was \$32.4 million compared to \$43.2 million in Q1-2013. Revenues decreased 25% due to lower copper and molybdenum sales and lower metal prices.
- Cost of sales was \$31.7 million, compared to \$38 million in Q1-2013, a decrease of 17%, driven by lower El Teniente royalty costs (from lower production and lower average LME prices) and lower production costs (resulting from lower production levels).
- Gross profit was \$0.7 million, compared to \$5.1 million in Q1-2013.
- Net loss was \$0.4 million compared to a net profit of \$3.2 million in Q1-2013.
- In Q1-2014, the Company generated cash flow from operations before changes in non-cash working capital of \$4.5 million, compared to \$7.3 million in Q1-2013.

Production

- The Company produced 10.2 million pounds of copper, 20% lower than the 12.8 million pounds produced in Q1-2013.
- Molybdenum production was 125,016 pounds, 52% lower than the 258,301 pounds produced in Q1-2013.
- Fresh tailings copper production was adversely affected by low mill tonnage and unplanned downtime at El Teniente, and lower than expected copper sulphide grade. MVC continued to work in unfavorable areas of the Colihues deposit as a result of the change in mine plan made necessary by a pit slide in Colihues during Q2-2013. Molybdenum production was lower than in prior quarters due to low throughput and low molybdenum grade in fresh tailings.

Revenue

- Revenue decreased to \$32.4 million, compared to \$43.2 million in Q1-2013, due to lower production levels and lower metal prices. The Company's copper selling price before smelting, refining and other charges was \$3.36/lb compared to \$3.52/lb in Q1-2013, and the Company's molybdenum selling price was \$9.93/lb compared to \$11.34/lb in Q1-2013.

Costs

- Cash cost (a non-GAAP measure equal to the aggregate of smelting, refining and other charges, production costs net of molybdenum-related net benefits, administration and transportation costs, before El Teniente royalty was \$2.22/lb, compared to \$1.99/lb in Q1-2013. Cash costs increased for the most part as a result of lower production in Q1-2014.
- Total cost (a non-GAAP measure equal to the aggregate of cash cost, El Teniente royalty, depreciation and accretion, was \$3.38/lb compared to \$3.15/lb in Q1-2013, mainly as a result of lower production.
- Power costs in Q1-2014 were \$5.3 million (\$0.0900/kwh) compared to \$6.4 million (\$0.0970/kwh) in Q1-2013. Similar power cost levels are expected to December 31, 2017, the end of the term of MVC's current power contract.

- Total El Teniente royalties were \$6.4 million in Q1-2014, compared to \$10.7 million in Q1-2013, due to lower production and metal prices.

Cash and Financing Activities

- Cash balance was \$8.1 million at March 31, 2014 compared to \$13.1 million at December 31, 2013.

Investments

- Cash payments for capital expenditures ("Capex") were \$3.4 million compared to \$3.6 million in Q1-2013. Capex payments have been funded from operating cash flow and cash on hand.
- Capex incurred in Q1-2014 totaled \$2.9 million (Q1-2013: \$2 million) and included project investments in connection with Cauquenes engineering (\$0.9 million) and sustaining Capex projects (\$2 million).
- The Company's investments in [Candente Copper Corp.](#) and [Los Andes Copper Ltd.](#) had an aggregate fair value of \$3.1 million at March 31, 2014 (December 31, 2013: \$3.2 million).

Outlook

- MVC's 2014 production guidance continues to be approximately 45 million pounds of copper and 800,000 pounds of molybdenum. In addition, the tolling contract with Compañía Minera Maricunga ("Maricunga") is expected to contribute a further 2 million pounds of copper.
- Cash cost is projected to be between \$2.15/lb and \$2.25/lb in 2014.
- 2014 sustaining Capex at MVC is estimated to be approximately \$3.8 million. Capex for the Cauquenes expansion project is estimated to be approximately \$140 million.

The information in this news release and the Selected Financial Information contained in the following page should be read in conjunction with the Unaudited Condensed Consolidated Interim Financial Statements and MD&A for the three months ended March 31, 2014 and the Audited Consolidated Financial Statements and MD&A for the year ended December 31, 2013, which will be available at the Company's website at www.amerigoresources.com and at www.sedar.com.

[Amerigo Resources Ltd.](#) produces copper and molybdenum under a long term partnership with the world's largest copper producer, Codelco, by means of processing fresh and old tailings from the world's largest underground copper mine, El Teniente near Santiago, Chile.

Certain of the information and statements contained herein that are not historical facts, constitute "forward-looking information" within the meaning of the Securities Act (British Columbia), Securities Act (Ontario) and the Securities Act (Alberta) ("Forward-Looking Information"). Forward-Looking Information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend"; statements that an event or result is "due" on or "may", "will", "should", "could", or "might" occur or be achieved; and, other similar expressions. More specifically, Forward-Looking Information contained herein includes, without limitation, information concerning future tailings production volumes and the Company's copper and molybdenum production, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information; including, without limitation, material factors and assumptions relating to, and risks and uncertainties associated with, the supply of tailings from El Teniente and extraction of tailings from the Colihues tailings impoundment, the achievement and maintenance of planned production rates, the evolving legal and political policies of Chile, the volatility in the Chilean economy, military unrest or terrorist actions, metal price fluctuations, governmental relations, the availability of financing for activities when required and on acceptable terms, the estimation of mineral resources and reserves, current and future environmental and regulatory requirements, the availability and timely receipt of permits, approvals and licenses, industrial or environmental accidents, equipment breakdowns, availability of and competition for future mineral acquisition opportunities, availability and cost of insurance, labour disputes, land claims, the inherent uncertainty of production and cost estimates, currency fluctuations, expectations and beliefs of management and other risks and uncertainties, including those described under Risk Factors in the Company's Annual Information Form and

in Management's Discussion and Analysis in the Company's financial statements. Such Forward-Looking Information is based upon the Company's assumptions regarding global and Chilean economic, political and market conditions and the price of metals, including copper and molybdenum, and future tailings production volumes and the Company's copper and molybdenum production. Among the factors that have a direct bearing on the Company's future results of operations and financial conditions are changes in project parameters as plans continue to be refined, interruptions in the supply of fresh tailings from El Teniente, further delays in the extraction of tailings from the Colihues tailings impoundment, a change in government policies, competition, currency fluctuations and restrictions and technological changes, among other things. Should one or more of any of the aforementioned risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the Forward-Looking Information. Accordingly, readers are advised not to place undue reliance on Forward-Looking Information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Information, whether as a result of new information, future events or otherwise.

AMERIGO RESOURCES LTD.
SELECTED FINANCIAL INFORMATION

QUARTERS ENDED MARCH 31, 2014 AND 2013

All figures expressed in US Dollars and presented under IFRS

Consolidated Statements of Financial Position

	March 31, December 31,	
	2014	2013
	\$	\$
Cash and cash equivalents	8,142	13,148
Property, plant and equipment	114,035	116,601
Other assets	57,554	56,360
Total assets	179,731	186,109
Total liabilities	58,203	64,370
Shareholders' equity	121,528	121,739
Total liabilities and shareholders' equity	179,731	186,109

Consolidated Statements of Comprehensive (Loss)

	Quarter ended	Quarter ended
	March 31,	March 31,
	2014	2013
	\$	\$
Revenue	32,370	43,161
Cost of sales	(31,706)	(38,037)
Other expenses	(725)	(703)
Finance expense	(149)	(185)
Income tax expense	(179)	(998)
Profit for the period	(389)	3,238
Other comprehensive income	(122)	2,908
Comprehensive income	(511)	6,146
EPS- Basic and Diluted	-	0.02

Consolidated Statements of Cash Flows

	Quarter ended	Quarter ended
	March 31,	March 31,
	2014	2013
	\$	\$
Net cash (used in) provided by operating activities	(1,702)	8,203
Net cash provided by investing activities	(3,402)	(3,645)
Net cash (used in) financing activities	98	(504)
Net cash inflow outflow (inflow) during the period	(5,006)	4,054

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