

# Aura Minerals Announces First Quarter of 2014 Financial and Operating Results

13.05.2014 | [Marketwired](#)

TORONTO, ONTARIO--(Marketwired - May 13, 2014) - [Aura Minerals Inc.](#) ("Aura Minerals" or the "Company") (TSX:ORA) announces financial and operating results for the first quarter of 2014.

*This release does not constitute management's discussion and analysis ("MD&A") as contemplated by applicable securities laws and should be read in conjunction with the MD&A and the Company's condensed interim consolidated financial statements for the three months ended March 31, 2014, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website.*

## Highlights:

- Operating cash flow<sup>1</sup> of \$9,005 for the three months ended March 31, 2014 compared to \$11,467 for the three months ended March 31, 2013;
- Net sales revenue in the first quarter of 2014 decreased by 27% over the first quarter of 2013;
- Gold oz production for the three months ended March 31, 2014 was 14% lower as compared to the three months ended March 31, 2013;
- Copper concentrate sales are from the shipment of 7,422 dry metric tonnes ("DMT") and 5,370 DMT of copper concentrate for the three months ended March 31, 2014 and 2013, respectively;
- Copper production at Aranzazu for the three months ended March 31, 2014 and 2013 was 3,715,688 pounds and 2,855,500 pounds, respectively, an increase of 30%. On-site average cash cost<sup>1</sup> per pound of copper produced, net of gold and silver credits was \$2.78 for the three months ended March 31, 2014 compared to \$3.69 for the three months ended March 31, 2013;
- Gross margin of \$(1,656) for the three months ended March 31, 2014, compared to a gross margin of \$(7,195) for the three months ended March 31, 2013;
- Loss of \$9,073 or \$0.04 per share for the three months ended March 31, 2014 compared to a loss of \$10,734 or \$0.05 per share for the three months ended March 31, 2013; and
- On March 17, 2014, the Company obtained a \$22,500 gold loan from Auramet International LLC which was utilized to settle the Company's Credit Facility obligation.

<sup>1</sup> Please see cautionary note at the end of this press release.

Jim Bannantine, the Company's President and CEO, stated "Building upon our 2013 operational results, and in light of the continued commodity price volatility, Aura continues to focus on creating value through both operational efficiencies and cost reduction. The first quarter of 2014 was relatively in-line with our expectations and we are on track to meet 2014's guidance.

At San Andres, during late 2013 and continuing into 2014, we conducted labor negotiations with the local union in order to achieve a necessary reorganization which is now substantially complete and will realize further cost reductions. We experienced a brief industrial action at San Andres in January which resulted in three weeks of operational down-time at the mine and which was peacefully resolved. We have continued to consult with and engage the union and local communities on a number of key matters. Despite the operational down-time, we were able to implement further operational efficiencies and cost savings, and achieved the lowest cash cost per ounce produced at San Andres in the Company's history.

Aranzazu's first quarter of 2014 showed an increase in production and continued decreases in treatment charges, refining charges and penalties through our blending program. The plant expansion and partial roasting facility remain on hold pending financing. Our mine development remains focused on near-term development.

The first quarter's results from the Brazilian Mines, primarily consisting of Sao Francisco, were affected by exceptionally heavy rains. Mining at Sao Francisco was temporarily impeded in the bottom of the pit. Sao Francisco did take the opportunity to create an extra push-back in the south area of the mine which will extend its mine life into 2015, but also caused a higher cash cost per ounce.

At Serrote, we continue to pursue a number of options to realize the value of the project including reviewing a revised development and operating plan. This plan would result in lower capital expenditures and features an earlier phased execution schedule than previously anticipated by the feasibility study.

As previously announced, we obtained a \$22.5 million gold loan facility which was used to refinance our balance sheet. This has enabled us to continue negotiations on a larger corporate financing package. The Company continues to work towards obtaining a financing that will allow achievement of our future operating and expansion goals.

Earlier today, we held our 2014 AGM in which shareholders re-elected the Board of Directors. I thank all of our shareholders for attending the AGM in person or by proxy and for their continued support."

## Production and Cash Costs

The Company's production and cash costs for the three months ended March 31, 2014 and 2013 are summarized in the table below:

	For the three months ended March 31, 2014		For the three months ended March 31, 2013	
	Oz Produced	Cash Costs <sup>1</sup>	Oz Produced	Cash Costs <sup>1</sup>
San Andres	17,665	\$ 764	15,714	\$ 1,116
Sao Francisco	20,357	1,328	25,652	1,332
Sao Vicente	5,220	1,098	9,048	1,410
Total / Average	43,242	\$ 1,070	50,414	\$ 1,279

<sup>1</sup> Please see cautionary note at the end of this press release.

Gold production at San Andres in the first quarter of 2014 increased by 12% over the comparable period primarily due to the improved recoveries in both the leaching and carbon stripping processes. Average cash cost per oz of gold produced<sup>1</sup> in the first quarter of 2014 decreased by 32% over the first quarter of 2013. Higher mining costs were experienced in 2013 due to the additional waste material moved.

Gold production at Sao Francisco in the first quarter of 2014 was 21% lower than the first quarter of 2013 due primarily to the lower plant feed. Average cash cost per oz of gold produced in the first quarter of 2014 was relatively flat as compared to the first quarter of 2013.

As a result of the suspension of mining and plant operations at Sao Vicente in Q4 2013, there was no material moved in the first quarter of 2014. A low volume of processing was achieved through the plant as there was sufficient feed material from clean-up of fill material around the plant area to keep the plant operating during Q1 2014. The average cash cost per oz of gold produced<sup>1</sup> in the first quarter of 2014 was 42% lower than the first quarter of 2013 due to low cost ore sourced from the clean-up, as well as the absence of mining costs, combined with good gold recoveries during the exhaustion of the heap.

At Aranzazu, copper concentrate production increased by 50% in the first quarter of 2014 as compared to the first quarter of 2013, due to the effect of the increased ore mined and milled, a 9% increase in copper grade, offset by a 3% decrease in copper recoveries. Aranzazu's mine development continued to be focused on near-term development in the first quarter of 2014. This is expected to continue throughout the year.

Average cash cost per pound of copper produced<sup>1</sup> for the first quarter of 2014 decreased by 25% as compared to the first quarter of 2013. These average cash costs are inclusive of net realizable value write-downs of \$0.29 and \$0.34 for the first quarters of 2014 and 2013, respectively. The average arsenic level in the copper concentrate was 0.86% during the first quarter of 2013. Aranzazu continues to implement a successful program of blending to ensure that value is maximized from the sales of concentrates. This has resulted in significant improvements in the levels of arsenic encountered in the concentrate production and accompanying decreases in treatment charges, refining charges and penalties on the concentrate shipments.

### **Brazilian Assets - Value Maximization**

The Company continues to investigate multiple options to maximize the closure value of the assets of the Brazilian Mines, including the disposal of the plant and equipment and utilizing key members of their operating teams at our other locations.

### **Revenues and Cost of Goods Sold**

Revenues for the three months ended March 31, 2014 decreased by 27% compared to three months ended March 31, 2013. The decrease in revenues resulted from a 33% decrease in gold sales and a 20% increase in copper concentrate sales.

The decrease in gold sales is attributable to a 13% decrease in gold sales volumes and a 22% decrease in the realized average gold price per ounce.

The increase in copper concentrate net sales is primarily attributable to a 38% increase in DMT sold offset by a 13% decrease in average price realized. Total revenues for the three months ended March 31, 2014 at Aranzazu related to the shipment of 7,422 DMT of copper concentrate compared to 5,370 DMT of copper concentrate for the three months ended March 31, 2013. Total concentrate shipment revenues for the three months ended March 31, 2014 and 2013 were \$1,622 per DMT and \$1,870 per DMT, respectively. The lower concentrate shipment revenue per DMT is due to lower commodity prices.

<sup>1</sup> Please see cautionary note at the end of this press release.

For the three months ended March 31, 2014 and 2013, total cost of goods sold from San Andres was \$15,023 or \$1,021 per oz compared to \$20,721 or \$1,456 per oz, respectively. For the three months ended March 31, 2014 and 2013, cash operating costs were \$851 per oz and \$1,189 per oz, respectively, while non-cash depletion and amortization charges were \$170 per oz and \$267 per oz, respectively. There were no write-downs of production inventory to net realizable value for the three months ended March 31, 2014 or 2013, respectively.

At the Brazilian Mines, for the three months ended March 31, 2014 and 2013, total cost of goods sold was \$35,671 or \$1,294 per oz compared to \$62,028 or \$1,794 per oz, respectively. For the three months ended March 31, 2014 and 2013, cash operating costs were \$1,219 per oz and \$1,404 per oz, respectively, while non-cash depletion and amortization charges were \$75 per oz and \$390 per oz, respectively. The cash operating costs for the three months ended March 31, 2014 included a write-down of \$5,193 or \$188 per oz to bring production inventory to its net realizable value (2013: \$3,194 or \$92 per oz).

Total cost of goods sold from Aranzazu for the three months ended March 31, 2014 and 2013 was \$15,989 or \$2,154 per DMT and \$13,031 or \$2,427 per DMT, respectively. For the three months ended March 31, 2014 and 2013, cash operating costs were \$1,632 per DMT and \$2,034 per DMT, respectively, while non-cash depletion and amortization charges were \$522 per DMT and \$393 per DMT, respectively. The cash operating costs for the three months ended March 31, 2014 included a write-down of \$1,238 or \$166 per DMT to bring production inventory to its net realizable value (2013: \$1,024 or \$191 per DMT).

### **Additional Highlights**

Other expense items for the first quarter of 2014 include general and administrative expenses of \$3,535,000 (2013: \$3,466,000) and exploration expenses of \$218,000 (2013: \$676,000). The decrease in exploration costs reflects the Company's overall reduction in exploration expenditures while it continues to focus on refinancing.

Additionally, for the first quarter of 2014, the Company recorded finance costs of \$3,118,000 (2013: \$1,460,000), and other losses of \$1,090,000 (2013: gain of \$1,817,000). Loss before income taxes for the first quarter of 2014 was \$9,612,000 (2013: \$10,960,000).

For the quarter ended March 31, 2014, the Company recorded an income tax recovery of \$539,000 (2013: \$226,000) comprising a current income tax recovery of \$288,000 (2013: income tax expense of \$1,034,000) relating to the San Andres Mine, and a deferred income tax recovery of \$251,000 (2013: \$1,260,000).

For the three months ended March 31, 2014, the Company recorded a loss of \$9,073 which compares to a loss of \$10,734 for the three months ended March 31, 2013.

## Outlook and Strategy

Aura Minerals' future profitability, operating cash flows and financial position will be closely related to the prevailing prices of gold and copper. Key factors influencing the price of gold and copper include, but are not limited to, the supply of and demand for these commodities, the relative strength of currencies (particularly the U.S. dollar) and macroeconomic factors such as current and future expectations for inflation and interest rates. Management believes that the short-to-medium term economic environment is likely to remain relatively supportive for commodity prices but with continued volatility. In order to decrease risks associated with commodity price and currency volatility, the Company will continue to evaluate available protection programs.

Other key factors influencing profitability and operating cash flows are production levels (impacted by grades, ore quantities, labour, plant and equipment availabilities, and process recoveries) and production and processing costs (impacted by production levels, prices and usage of key consumables, labour, inflation, and exchange rates).

Aura Minerals' production and cash cost per oz guidance for the 2014 year has not changed from previous guidance and is as follows:

Gold Mines	Cash Cost per oz	2014 Production
San Andres	\$800 - \$950	75,000 - 85,000 oz
Sao Francisco	\$900 - \$1,050	75,000 - 85,000 oz
Sao Vicente	\$ 525 - \$675	5,500 - 7,500 oz
<b>Total</b>	<b>\$850 - \$1,000</b>	<b>155,500 - 177,500 oz</b>

Aranzazu's production for 2014 is expected to be between 18,000,000 and 19,500,000 pounds of copper at a range of \$2.60 to \$3.15 average cash cost per payable pound of copper.

To date, the indicators have been that the pro-rata guidance will be achieved at each operating mine.

For 2014, total capital spending is expected to be \$36,000. Of this amount, \$20,000 relates to the development and expansion of Aranzazu, while \$12,000 relates to San Andres plant upgrades, Phase V of the heap leach expansion and community expenditures. The remaining portion is being spent on various miscellaneous projects in the group, including the Serrote development project. The capital expenditure programs for the expansion of Aranzazu and the development of Serrote remain dependent upon successful completion of expansion financing.

## Conference Call

Aura Minerals' management will host a conference call and audio webcast for analysts and investors on

Wednesday, May 14, 2014 at 9:00 a.m. (Eastern Time) to review the first quarter 2014 results. Participants may access the call by dialing 416-340-9432 or the toll-free access at 1-800-952-4972. Participants are encouraged to call in 10 minutes prior to the scheduled start time to avoid delays.

Those who wish to listen to a recording of the conference call at a later time may do so by dialing 905-694-9451 or 1-800-408-3053 (Passcode 2201962#). The conference call replay will be available from 2:00 p.m. on May 14, 2014, until 11:59 p.m. (Eastern Time) on May 29, 2014.

### **Non-GAAP Measures**

This news release includes certain non-GAAP performance measures, in particular, the average cash cost of gold per oz, average cash cost per payable pound of copper and operating cash flow which are non-GAAP performance measures. These non-GAAP measures do not have any standardized meaning within IFRS and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide investors with additional information which is useful in evaluating the Company's performance and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Average cash costs per oz of gold or per pound of copper are presented as they represent an industry standard method of comparing certain costs on a per unit basis. Total cash costs of gold produced include on-site mining, processing and administration costs, off-site refining and royalty charges, reduced by silver by-product credits, but exclude amortization, reclamation, and exploration costs, as well as capital expenditures. Total cash costs of gold produced are divided by oz produced to arrive at per oz cash costs. Similarly, total cash costs of copper produced include the above costs, and are net of gold and silver by-products, but include offsite treatment and refining charges. Total cash costs of copper produced are divided by pounds of copper produced to arrive at per pound cash costs.

Operating cash flow is the term the Company uses to describe the cash that is generated from operations excluding depletion and amortization, stock based compensation, impairment charges and the effect of changes in working capital.

### **About Aura Minerals Inc.**

Aura Minerals is a Canadian mid-tier gold and copper production company focused on the development and operation of gold and base metal projects in the Americas. The Company's producing assets include the copper-gold-silver Aranzazu mine in Mexico, the San Andres gold mine in Honduras and the Sao Francisco and Sao Vicente gold mines in Brazil. The Company's core development asset is the copper-gold-iron Serrote da Laje project in Brazil.

**For further information**, please visit Aura Minerals' web site at [www.auraminerals.com](http://www.auraminerals.com).

### **National Instrument 43-101 Compliance**

Unless otherwise indicated, Aura Minerals has prepared the technical information in this press release ("Technical Information") based on information contained in the technical reports and news releases (collectively the "Disclosure Documents") available under the Company's profile on SEDAR at [www.sedar.com](http://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 ("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.

### **Cautionary Note**

This news release contains certain "forward-looking information" and "forward-looking statements", as

defined in applicable securities laws (collectively, "forward-looking statements"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements relate to future events or future performance and reflect the Company's current estimates, predictions, expectations or beliefs regarding future events and include, without limitation, statements with respect to: the amount of mineral reserves and mineral resources; the amount of future production over any period; the amount of waste tonnes mined; the amount of mining and haulage costs; cash costs; operating costs; strip ratios and mining rates; expected grades and ounces of metals and minerals; expected processing recoveries; expected time frames; prices of metals and minerals; mine life; and gold hedge programs. Often, but not always, forward-looking statements may be identified by the use of words such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements in this news release and related MD&A are based upon, without limitation, the following estimates and assumptions: the presence of and continuity of metals at the Company's Mines at modeled grades; the capacities of various machinery and equipment; the availability of personnel, machinery and equipment at estimated prices; exchange rates; metals and minerals sales prices; appropriate discount rates; tax rates and royalty rates applicable to the mining operations; cash costs; anticipated mining losses and dilution; metals recovery rates, reasonable contingency requirements; and receipt of regulatory approvals on acceptable terms.

Known and unknown risks, uncertainties and other factors, many of which are beyond the Company's ability to predict or control could cause actual results to differ materially from those contained in the forward-looking statements. Specific reference is made to the most recent Annual Information Form on file with certain Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements, which include, without limitation, gold and copper or certain other commodity price volatility, changes in debt and equity markets, the uncertainties involved in interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, interest rate and exchange rate fluctuations, general economic conditions and other risks involved in the mineral exploration and development industry. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

## Contact

[Aura Minerals Inc.](#)

Josh Perelman

Sr. Financial Analyst

(416) 649-1056 or (416) 649-1033

(416) 649-1044

[info@auraminerals.com](mailto:info@auraminerals.com)

[www.auraminerals.com](http://www.auraminerals.com)

---

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/173463--Aura-Minerals-Announces-First-Quarter-of-2014-Financial-and-Operating-Results.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!  
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).