

Dynasty Reports Financial Results for the Three Months Ended March 31, 2014

16.05.2014 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 15, 2014) - Dynasty Metals & Mining Inc. ("Dynasty" or the "Company") (TSX:DMM)(OTCQX:DMMIF) announces that it has released its unaudited consolidated financial statements for the three months ended March 31, 2014. The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, the Company's unaudited consolidated financial statements as at and for the three months ended March 31, 2014 and the related notes thereto and the Company's management's discussion and analysis ("MD&A"), which are available on the Company's website (www.dynastymining.com) and on SEDAR (www.sedar.com).

All dollar amounts in United States dollars unless otherwise stated.

Zaruma Gold Project Operating Results

| | Three months ended March 31, 2014 (unaudited) | Three months ended December 31, 2013 (unaudited) |
|---|---|--|
| Gold Revenue | \$ 9,390,956 | \$ 15,670,352 |
| Gold sales (ounces) | 7,237 | 12,355 |
| Average realized price per ounce | \$ 1,298 | \$ 1,268 |
| Mined material milled (tonnes) | 16,898 | 29,948 |
| Average grade (grams/tonne) | 10.81 | 15.14 |
| Average recovery (%) | 94.7 | 94.3 |
| Gold production (ounces) | 5,558 | 13,748 |
| Cash costs (US\$/oz Au) ^(a,b) | \$ 919 | \$ 592 |
| Cash costs (US\$/tonne Au) ^(a,b) | \$ 302 | \$ 272 |
| All-in sustaining cash cost (US\$/oz Au) ^(a,b) | \$ 1,310 | \$ 791 |

a) Net of by-product credits

b) Non-GAAP measure. For the disclosure of the manner in which these measures are calculated refer to the "Non-GAAP Measures" section of the Company's MD&A for the three months ended March 31, 2014 available on SEDAR (<http://www.sedar.com>).

c) There are no comparable operating results for the three months ended March 31, 2013 since the Company commenced accounting for the Zaruma Project as being in commercial production commencing on October 1, 2013 as the project was meeting production milestones to be operating, for accounting purposes, in the way intended by Management.

The average grade of material processed during the three months ended March 31, 2014 was 10.81 grams per tonne ("g/t"). Substantially all the high grade material mined in the period was from certain sections of the Soroche vein where the grade was particularly high.

The average daily tonnage of material processed through the mill during the three months ended March 31, 2014 of 188 tonnes per day ("tpd") is lower than the average achieved in the fourth quarter of 2013 (325 tpd) due to the reallocation of resources at the beginning of the current year to carry out some normal course maintenance and development work on the main decline. This maintenance and development work is now complete and the Company is refocussing on mining resource grade material to be delivered to the mill for processing.

Cash costs per ounce and all-in sustaining cash costs per ounce for the three months ending March 31, 2014 were \$919 and \$1,310 respectively which is a considerable increase compared to the three months ended December 31, 2013 when cash costs per ounce and all-in sustaining cash costs per ounce were \$592 and \$791 respectively. This was the result of the combination of a number of factors, including:

- The above mentioned maintenance and development work meant that resources were diverted from mining material that would be delivered to the mill for processing;
- The Company has adopted a policy to expense any further development expenditure as it is incurred in respect of a mine property subsequent to the commencement of commercial production, unless substantial new future economic benefits are derived from such expenditure at which point it will be capitalized. As a result the cost of carrying out the decline maintenance and development work was all expensed in the period and therefore included in the per ounce cost calculations; and
- the Company's operations consist of a large fixed cost proportion, with the actual cash expenditure not varying a great deal between periods.

In the near term, the Company intends to remain focused on developing the main decline with the intent to continue to develop high grade gold veins in the area, thereby providing access to additional mining faces which in turn is expected to improve production. This outlook is based on current operations, mine plans and exploration results, which are subject to change and as such cannot be assured.

The following tables show selected consolidated financial information as at March 31, 2014 and December 31, 2013 and for the three months ending March 31, 2014 and 2013:

| | For the Three Months Ended March 31, 2014 | For the Three Months Ended December 31, 2013 |
|--|---|--|
| OPERATING REVENUES | \$ 9,677,584 | \$ 9,677,584 |
| OPERATING COSTS (Note 4) | | |
| Mining and processing | 5,912,688 | 5,912,688 |
| Royalties | 373,366 | 373,366 |
| Depreciation and depletion | 1,105,450 | 1,105,450 |
| | 7,391,504 | 7,391,504 |
| EARNINGS FROM MINE OPERATIONS | 2,286,080 | 2,286,080 |
| EXPENSES | | |
| Corporate administration (Note 5) | 1,113,800 | 1,113,800 |
| Stock-based compensation (Note 11) | 95,327 | 95,327 |
| | 1,209,127 | 1,209,127 |
| EARNINGS (LOSS) BEFORE INCOME TAXES | 1,076,953 | 1,076,953 |
| INCOME TAXES | | |
| Current tax expense | 27,565 | 27,565 |
| NET EARNINGS / (LOSS) AND COMPREHENSIVE EARNINGS / (LOSS) FOR THE PERIOD | \$ 1,049,388 | \$ 1,049,388 |
| EARNINGS / (LOSS) PER SHARE | | |
| Basic | \$ 0.02 | \$ 0.02 |
| Diluted | \$ 0.02 | \$ 0.02 |

Consolidated Statements of Financial Position, as at:

| | March 31, 2014 | December 31, 2013 |
|--|----------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 3,245,011 | \$ 4,913,500 |
| Receivables | 18,281 | 20,162 |
| Prepaid expenses | 863,117 | 556,380 |
| Inventory (Note 6) | 4,247,070 | 4,320,543 |
| | 8,373,479 | 9,810,585 |
| Advances, deposits and warranties | 306,348 | 306,348 |
| Mine properties, plant and equipment (Note 7) | 50,376,246 | 51,309,641 |
| Exploration and evaluation properties (Note 8) | 14,973,291 | 14,067,965 |
| | \$ 74,029,364 | \$ 75,494,539 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 3,512,383 | \$ 6,090,741 |

| | | |
|---|---------------|---------------|
| Taxes payable | 2,509,636 | 2,426,941 |
| Short term loans (Note 9) | 1,000,000 | 1,132,591 |
| | 7,022,019 | 9,650,273 |
| Provision for closure and restoration (Note 10) | 1,863,816 | 1,845,452 |
| | 8,885,835 | 11,495,725 |
| Shareholders' equity | | |
| Capital stock (Note 11) | 89,059,365 | 89,059,365 |
| Contributed surplus (Note 11) | 14,036,713 | 13,941,386 |
| Deficit | (37,952,549) | (39,001,937) |
| | 65,143,529 | 63,998,814 |
| | \$ 74,029,364 | \$ 75,494,539 |

Liquidity

As at March 31, 2014 the Company had cash resources of \$3.3 million and a working capital surplus (current assets less current liabilities) of \$1.3 million compared to cash resources of \$4.9 million and a working capital surplus of \$0.2 million as at December 31, 2013.

Included within accounts payable as at March 31, 2014 is approximately \$2.5 million of corporate income and employee participation taxes relating to the year ended December 31, 2013. Subsequent to the period end these taxes were paid in full by the due date which was mid-April 2014.

Included within short term loans is a \$1 million Promissory Note from corporations represented by the Company's President and Chief Executive Officer. The Promissory Note bears no interest, is repayable on demand and is secured by way of a General Security Agreement over certain assets of the Company.

About Dynasty Metals & Mining

Dynasty Metals & Mining Inc. is a Canadian based mining company involved in the exploration and development of mineral properties in Ecuador.

The Company is currently focused on developing its Zaruma Gold Project, at which the Company is engaged in intermittent production. The Company also has the following non-producing assets: the Jerusalem Project and Dynasty Goldfield Project.

Brian Speechly, a Fellow of AusIMM (Australian Institute of Mining and Metallurgy), a director of the Company and a "qualified person" within the definition of that term in the National Instrument 43-101, has supervised the preparation of and has verified the technical information contained in this news release.

Forward-Looking Information

This news release contains statements which are, or may be deemed to be, "forward-looking information" which are prospective in nature, including, without limitation, statements regarding Dynasty's future plan and, expectations relating to the Zaruma mine development and mineral extraction. Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including assumptions relating to the Company's ability to continue progress through its declines with minimal or no interruption, that the Company will be able to continue its progress in respect of its mines as planned, that the Company will continue to sell processed gold and silver at levels that allow it to fund the continued development of its mining projects, that the Company will have access to capital if required, that all necessary approvals and arrangements will be obtained and/or finalized in a satisfactory manner in order to continue developing the Company's projects, and that the Company's equipment will operate at expected levels. Often, but not always, forward-looking information can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or

"will" be taken, occur or be achieved.

Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Dynasty's actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important risks that could cause Dynasty's actual results, revenues, performance or achievements to differ materially from Dynasty's expectations include, among other things: (i) risks related to prior mining activity at its mines and declines, (ii) uncertainties relating to mineral resource estimates (iii) risks related to availability of capital on satisfactory terms, (iv) risks related to being an early stage producer; (ii) risks related to Dynasty's lack of history in producing metals from Dynasty's mineral exploration properties and its ability to successfully establish mining operations or profitably produce precious metals; (v) that Dynasty will be unable to successfully negotiate agreements with the holders of surface rights on areas covered by Dynasty's project concessions; (vi) changes in the market prices of gold, silver, and other minerals, which, in the past, have fluctuated widely and which could affect the profitability of Dynasty's operations and financial condition; (vii) risks related to governmental regulations, including taxation statutes; (viii) risks related to Dynasty's primary properties being located in Ecuador, including political, economic, and regulatory instability; (ix) uncertainty in Dynasty's ability to obtain and maintain certain permits necessary to the Company's current and anticipated operations; and other risks found in Dynasty's Annual Information Form for the year ended December 31, 2013, which is available on SEDAR at www.sedar.com. Other than in accordance with its legal or regulatory obligations, Dynasty is not under any obligation and Dynasty expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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