

Western Areas Ltd. Announces June 2014 Quarterly Activities Report

22.07.2014 | [Marketwired](#)

All full year guidance metrics beaten, strongest cashflow quarter in over 2 years and now in a net cash position

PERTH, AUSTRALIA -- (Marketwired - July 21, 2014) - [Western Areas](#) (WSA or the Company) (ASX:WSA) is pleased to report another solid quarterly performance and excellent full year results on safety, costs, operational metrics and positive free cashflow generation. Unit cash cost of production was A\$2.61/lb of nickel in concentrate for the quarter, with full year unit cash cost at A\$2.50/lb (US\$2.28/lb) which is 7.4% below the full year guidance of A\$2.70/lb.

As a result of the stronger nickel price for the quarter, consolidated cash at bank increased by A\$55.0m to A\$230.5m (which includes A\$3.1m of funds held by the majority owned FinnAust Mining Plc). Excluding the equity placement proceeds received of A\$17.7m and the interim A\$2.3m dividend paid during the quarter, free cashflow for the quarter was A\$39.6m representing the strongest cashflow quarter in over two years. The Company has now moved from a net debt position to net cash of A\$10.3m.

Full year mine production stands at 598,959 tonnes of ore at an average grade of 4.8% for 28,686 nickel tonnes (1,686t of nickel ahead of guidance), comprising a record year of annual production from Spotted Quoll of 13,973 nickel tonnes and 14,713 tonnes of nickel in ore from Flying Fox. Full year nickel in concentrate production of 25,700 tonnes was also ahead of guidance.

The Indonesian Government's ongoing ban on the export of unprocessed laterite ore has continued to support the strengthening of the nickel price which has increased over 30% since January 2014. Based on media reports and commentary, the ban for laterite ore exports is expected to remain fully enforced after the elections are completed in July.

June Quarter 2014 Highlights:

1. There was one Lost Time Injury for the quarter which resulted in a LTIFR of 1.98.
2. Flying Fox mine production was 67,966 tonnes of ore mined at 5.1% for 3,479 tonnes (7.7M lbs) of contained nickel.
3. Spotted Quoll mine production was 58,497 tonnes of ore at 4.8% for 2,801 tonnes (6.2M lbs) of contained nickel.
4. Record full year mill throughput of 598,152 tonnes of ore (9% above name plate capacity) aided by 98% mill availability for the year.
5. Total nickel in concentrate sales comprised 6,374 tonnes (14M lbs) for the quarter and 25,756 tonnes (56.8M lbs) for the full year.
6. Unit cash cost of nickel in concentrate of A\$2.61/lb (US\$2.43/lb) for the quarter and A\$2.50/lb for the full year, better than guidance.
7. Generated A\$55m free cashflow due to a substantially improved nickel price and the impact of quotational price settlements.
8. On 2 July, the Company repaid A\$95.2m of convertible bonds which had reached maturity.
9. Due to the expected early finish of the Jinchuan offtake contract in December 2014, the Company is considering going out to re-tender in the current September quarter.

The full activities report can be viewed at the Company's website www.westernareas.com.au

COMPETENT PERSON'S STATEMENT:

The information within this report as it relates to mineral resources, ore reserves and mine development activities is based on information compiled by Mr Andre Wulfse and Mr Dan Lougher of Western Areas Ltd. Mr Wulfse and Mr Lougher are members of AusIMM and are full time employees of the Company. Mr Wulfse, and Mr Lougher have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wulfse and Mr Lougher consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. The information contained in this presentation in relation to the Flying Fox Mine was prepared and first disclosed under the 2004 Edition of the JORC Code. It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

FORWARD LOOKING STATEMENT:

This release contains certain forward-looking statements including nickel production targets. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs.

Examples of forward looking statements used in this report include: "Based on media reports and commentary, the ban for laterite ore exports is expected to remain fully enforced after the elections are completed in July", and, "Due to the expected early finish of the Jinchuan offtake contract in December 2014, the Company is considering going out to re-tender in the current September quarter".

This announcement does not include reference to all available information on the Company, the Forrestania Nickel Project, the Regional Nickel Projects or FinnAust Mining Plc and should not be used in isolation as a basis to invest in Western Areas. Potential investors should refer to Western Areas' other public releases and statutory reports and consult their professional advisers before considering investing in the Company.

For Purposes of Clause 3.4 (e) in Canadian instrument 43-101, the Company warrants that Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/178312--Western-Areas-Ltd.-Announces-June-2014-Quarterly-Activities-Report.html>

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