

Detour Gold Reports Second Quarter 2014 Results

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TORONTO, ONTARIO--(Marketwired - Jul 29, 2014) - **Detour Gold Corp. (TSX:DGC)** ("Detour Gold" or the "Company") reports its operational and financial results for the second quarter of 2014. This release should be read in conjunction with the Company's second quarter 2014 financial statements and MD&A report on the Company's website or on SEDAR. All amounts are in U.S. dollars unless otherwise indicated.

Q2 2014 Highlights

- Gold production of 117,366 ounces
- Revenues of \$139 million on gold sales of 107,206 ounces
- Total cash costs of \$941 per gold ounce sold¹
- Net loss of \$35.0 million or \$0.23 per share; Adjusted net loss of \$17.4 million or \$0.12 per share¹
- Cash and short-term investments balance of \$138.2 million at June 30, 2014
- High grade gold intersections reported from Lower Detour area

"Operationally, we made good progress in the second quarter and attained the upper end of our production guidance for the first half of the year at 224,520 ounces of gold," said Paul Martin, President and CEO. "We realized higher grades than planned which compensated for the slightly slower ramp-up progress during the first half of the year. For the remainder of 2014, we project a similar rate of progress and have consequently trimmed the high end of our 2014 production guidance by 20,000 ounces to 480,000 ounces while maintaining the lower end at 450,000 ounces. We have also revised our 2014 total cash cost guidance range to be between \$900 and \$975 per ounce sold¹. We remain focused on execution and continue to expect reaching mill design capacity of 55,000 tonnes per day by year-end."

Summary Operational Results

In the second quarter of 2014, gold production totaled 117,366 ounces, driven primarily by higher gold grades due to improved dilution control. The mill processed 4.4 million tonnes (Mt) of ore from a combination of direct feed (65%) and run-of-mine stockpiles (35%) at an average grade of 0.91 g/t with recoveries of 91%. At quarter-end, the run-of-mine ore stockpiles were 1.3 Mt grading 0.76 grams per tonne (g/t).

The mill facility processed an average of 48,569 tonnes of ore per day (tpd) in the second quarter with 83% availability, approximately 4% higher than the first quarter but at the low end of expectations for the quarter.

A total of 19.0 Mt was mined during the second quarter with mining rates averaging 209,000 tpd, below projected rates of 230,000 tpd. Mining activities were heavily weighted on overburden and waste stripping, mainly for the development of the southwall pushback and Campbell pit breakthrough (western end of former open pit). Due to the reduced productivity in mining overburden and till and removing old infrastructure around the former Campbell pit, mining rates were lower than initially planned. With the overburden and till stripping decreasing significantly in the second half of 2014 (from 12.1 Mt to approximately 4.6 Mt), mining rates are expected to increase to 250,000 tpd by year-end.

¹ Refer to the section on Non-IFRS Financial Performance Measures at end of the press release. Reconciliation of these measures is described at end of the press release and in the MD&A for the second quarter ended June 30, 2014.

The development of the southwall pushback is expected to be completed in the third quarter and tailings construction activities remain on schedule.

Although the operation is making positive progress quarter over quarter, the ramp-up is slightly behind schedule as of the end of June. For the second half of 2014, the forecasted mining and mill throughput rates have been adjusted downwards thereby lowering the high-end of production guidance by approximately 20,000 ounces of gold for the year (see page 4 - section entitled '2014 Outlook and Updated Guidance').

Total cash costs for the second quarter of 2014 were \$941 per ounce sold², 4% lower than Q1 but above plan, mainly due to (1) fewer tonnes mined resulting in less ore stockpiled which would have reduced reportable costs and (2) higher unit costs during the ramp-up period.

Detour Lake Mine Operation Statistics

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Ore mined (Mt)	2.70	4.16	4.09	4.88	2.89
Waste mined (Mt)	9.96	12.42	16.80	14.29	16.11
Total mined (Mt)	12.66	16.58	20.89	19.17	19.00
Strip ratio (waste:ore)	3.7	3.0	4.1	2.9	5.6
Mining rate (tpd)	160,000	180,000	203,000	213,000	209,000
Ore milled (Mt)	2.87	3.88	3.41	4.08	4.42
Head grade (g/t Au)	0.76	0.72	0.81	0.90	0.91
Recovery (%)	82	85	92	91	91
Mill throughput (tpd)	31,513	42,141	37,090	45,282	48,569
Mill availability (%)	68	78	66	80	83
Ounces produced ¹ (oz)	57,897	75,672	81,877	107,154	117,366
Ounces sold (oz)	37,870	75,600	95,000	84,560	107,206
Average realized price ² (\$/oz)	-	\$1,340	\$1,269	\$1,301	\$1,293
Total cash cost per oz sold ² (\$/oz)	-	\$1,214	\$1,174	\$976	\$941
Mining (Cdn\$/t mined)	-	-	\$2.60	\$2.87	\$2.87
Milling (Cdn\$/t milled)	-	-	\$11.75	\$11.13	\$11.25
G&A (Cdn\$/t milled) ³	-	-	\$4.13	\$3.68	\$3.46

Unit mining costs were higher than plan due to the shortfall in total tonnes mined and higher equipment maintenance costs. Unit milling costs were also slightly higher than plan mainly due to higher maintenance costs and lower mill throughput partially offset by lower consumables and reagent consumption. With further improvements expected in mine and mill throughput rates, unit operating costs are projected to trend downward.

¹ Includes pre-production ounces prior to the declaration of commercial production on September 1, 2013.

² Refer to the section on Non-IFRS Financial Performance Measures at end of the press release. Reconciliation of these measures is described at end of the press release and in the MD&A for the relevant periods.

³ G&A costs include site G&A, infrastructure, environmental and Aboriginal costs.

2014 Selected Financial Information

Summary Financial Data

(in millions unless specified)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Metal sales ¹	-	33.1	120.8	110.0	139.0
Production costs	-	30.4	98.0	83.1	98.1
Depreciation and depletion	-	2.9	34.0	30.6	38.3
Mine standby costs	-	-	4.2	-	-
Inventory write-down	-	-	14.6	-	-
Cost of sales	-	33.3	150.8	113.7	136.4
Earnings (loss) from mine operations	-	(0.2)	(30.0)	(3.7)	(2.6)
Net earnings (loss)	23.1	(11.8)	(47.0)	(54.9)	(35.0)
Net earnings (loss) per share	0.19	(0.09)	(0.34)	(0.38)	(0.23)
Adjusted net loss ²	(11.8)	(10.6)	(36.0)	(28.1)	(17.4)
Adjusted net loss per share ²	(0.10)	(0.08)	(0.26)	(0.20)	(0.12)

Note: Totals may not add up due to rounding.

Summary Financial Results

Revenues for the second quarter were \$139.0 million from the sales of 107,206 ounces of gold at an average realized price of \$1,293 per ounce² versus the average London PM fix gold price of \$1,288 per ounce.

Cost of sales excluding depreciation and depletion for the second quarter amounted to \$98.1 million and is net of a \$3.9 million rebate relating to 2013 electricity costs. Depreciation and depletion expense for the quarter was \$38.3 million, or \$357 per ounce of gold sold.

The Company recorded a net loss of \$35.0 million, or \$0.23 per share, in the second quarter of 2014. The net loss includes \$63.5 million of non-cash items, including depreciation and depletion of \$38.3 million, a fair value loss on the convertible notes of \$15.1 million as a result of share price appreciation, accretion charges related to the convertible notes of \$6.2 million, an unrealized loss on derivative instruments of \$1.2 million and non-cash share-based compensation expense of \$2.7 million. Adjusted net loss² in the second quarter amounted to \$17.4 million, or \$0.12 per share, attributable to higher cost of sales during the mine ramp-up to full production levels.

Operating cash flow before changes in working capital for the three months ended June 30, 2014 was \$38.8 million. During the quarter, sustaining capital expenditures totaled \$27.1 million of which \$6.2 million was on the tailings dam construction raise, \$2.4 million on the processing plant, \$16.0 million on mine equipment, and \$2.5 million for other. Cash deferred stripping totaled \$15.1 million.

Cash and short term investments were \$138.2 million at June 30, 2014, approximately \$7.0 million lower than the previous quarter.

In early 2014, the Company signed a 6-year fixed rate electricity contract with the Ontario Power Authority. At June 30, 2014, the Company had accrued \$26.4 million as electricity rebate receivable for charges paid in 2013 and the first half of 2014. In July 2014, the Company received \$16.0 million and expects to receive the remainder over the course of 2014.

¹ Sales prior to commercial production (September 1, 2013) were credited against capitalized project costs. Includes silver sales.

² Refer to the section on Non-IFRS Financial Performance Measures at end of the press release. Reconciliation of these measures is described at end of the press release and in the MD&A for the relevant periods.

In July 2014, the Company amended its existing credit facility to extend the date by which the Completion Test (as set out section "Liquidity and Capital Resources" in Second Quarter 2014 MD&A) must be achieved from September 30, 2014 to May 31, 2015.

During the second quarter, the Company realized a net gain of \$1.8 million on its gold sales and foreign exchange risk management programs. The Company has a total of 100,000 ounces of gold hedged at an average price of \$1,287 per ounce for its gold sales from August to December 2014.

2014 Outlook and Updated Guidance

In the first half of 2014, the Company continued to make progress towards completing the ramp-up of the Detour Lake mine. Detour Gold met the high end of its gold production guidance for the first half of the year, despite the mine ramp-up proceeding slightly below plan.

Based on both the throughput and mining rates being below target levels at the end of the quarter, the Company has revised its mine output from 92 Mt to 82 Mt and mill output from 19 Mt to 17.7 Mt for 2014. As a result, the Company does not expect to reach the upper end of its production guidance of 500,000 ounces

for 2014 and has revised it downward to 480,000 ounces with the low end remaining at 450,000 ounces. With this updated production range, combined with an increase in forecasted operating costs, total cash costs for 2014 have been revised from \$800 to \$900 per ounce sold¹ to \$900 to \$975 per ounce sold¹. The Company continues to expect that mill design capacity (55,000 tpd) will be attained by year-end.

Sustaining capital expenditures for the year are expected to range between \$125 and \$135 million, including no change to deferred stripping of \$35 million.

	2014 Prior Guidance	2014 Updated Guidance
Total gold production (oz)	450,000-500,000	450,000-480,000
Total cash costs (\$/oz sold) ¹	\$800-900	\$900-975
Sustaining capital expenditures (\$ millions) ²	\$131	\$125-135

For 2014, the Company targets to maintain a minimum of \$100 million in cash and short term investments. As a result, our discretionary debt reduction program will be based on gold price and mine performance. With the high-end of the production guidance lowered, the Company is targeting debt repayment of up to \$80 million in 2014.

Although the Company remains focused on the mine ramp-up, it is continuing to advance its organic growth and optimization initiatives:

- Mineral reserve estimation of Block A for 2014 year-end reserve update
- Amenability to heap leaching underway to evaluate potential to process low-grade material
- Assessment to potentially remove the pebble crushing circuit
- Further evaluation of Lower Detour area (high-grade intersections in Zone 58)
- Exploration plan for 2015 winter drilling program in progress

¹ Refer to the section on Non-IFRS Financial Performance Measures at end of the press release.

² Include deferred stripping costs of approximately \$35 million.

Technical Information

The scientific and technical content of this news release has been reviewed, verified and approved by Drew Anwyll, P.Eng., Vice President of Operations, a Qualified Person as defined by Canadian Securities Administrators National Instrument 43-101 "Standards of Disclosure for Mineral Projects".

Conference Call

The Company will host a conference call on Wednesday, July 30, 2014 at 10:00 AM E.T. where senior management will discuss the second quarter operational and financial results. The details of the conference call are as follows:

- Via webcast, go to www.detourgold.com and click on the "Q2 Results Conference Call and Webcast" link on home page
- By phone toll free in Canada and the United States 1-800-319-4610
- By phone International 416-915-3239

The conference call will be recorded and playback of the call will be available after the event by dialing toll free in Canada and the United States 1-800-319-6413, or internationally 604-638-9010, pass code 1532 (available up to August 31, 2014).

About Detour Gold

Detour Gold is an emerging mid-tier gold producer in Canada. The Company is currently completing the ramp-up of its 100% owned Detour Lake mine to a long life, large scale open pit operation.

[Detour Gold Corp.](#), Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2200, Toronto, Ontario M5J 2J1

Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures in this press release. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

The non-IFRS measures are defined below and are reconciled with the reported IFRS measures. Refer to the Company's MD&A for the three and six months ended June 30, 2014 for full details.

Total cash costs per gold ounce sold

Detour Gold reports total cash costs on a sales basis. Total cash costs per gold ounce sold include production costs such as mining, processing, refining and site administration, agreements with Aboriginal communities, less non-cash share-based compensation and net of silver sales divided by gold ounces sold to arrive at total cash costs per gold ounce sold. The measure also includes other mine related costs incurred such as mine standby costs and current inventory write downs. Production costs are exclusive of depreciation and depletion. Production costs include the costs associated with providing the royalty in kind ounces. The Company did not include the positive impact of the electricity rebate in calculating total cash costs per ounce sold.

	Three months ended		Six months ended	
			June 30	
	2014	2013	2014	2013
Production costs	\$ 98,141	\$ -	\$ 181,273	\$ -
Share-based compensation	(862)	-	(1,489)	-
Silver sales	(370)	-	(376)	-
Electricity rebate	3,930	-	3,930	-
Total cash costs	\$ 100,839	\$ -	\$ 183,338	\$ -
Gold ounces sold	107,206	-	191,766	-
Total cash costs per gold ounce sold	\$ 941	\$ -	\$ 956	\$ -

Average realized price and Average realized margin

Management and investors use these measures to better understand the gold price and margin realized throughout a period. Average realized margin represents average realized price per gold ounce sold less total cash costs per gold ounce sold.

	Three months ended		Six months ended	
			June 30	
	2014	2013	2014	2013
Metal sales	\$ 139,009	\$ -	\$ 249,024	\$ -
Silver sales	(370)	-	(376)	-
Revenues from gold sales	\$ 138,639	\$ -	\$ 248,648	\$ -
Gold ounces sold	107,206	-	191,766	-
Average realized price	\$ 1,293	\$ -	\$ 1,297	\$ -
Less: Total cash costs per gold ounce sold	(941)	-	(956)	-
Average realized margin per gold ounce sold	\$ 352	\$ -	\$ 341	\$ -

Adjusted net earnings (loss) and Adjusted basic net earnings (loss) per share

Adjusted net earnings (loss) and adjusted basic earnings (loss) per share are used by management and

investors to measure the underlying operating performance of the Company. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods.

Adjusted net earnings (loss) are defined as net earnings (loss) adjusted to exclude specific items that are significant, but not reflective of the underlying operations of the Company, including: fair value change of the convertible notes; the impact of foreign exchange gains and losses, non-cash unrealized gains and losses on derivative instruments including hedges, accretion on convertible notes, unwinding of discount on decommissioning and restoration provisions, impairment provisions and reversals thereof; and other non-recurring items. Adjusted net earnings (loss) excludes the positive impact of the electricity rebate related to the Company's 2013 electricity usage

Adjusted net earnings (loss) per share is calculated using the weighted average number of share outstanding under the basic method of earnings (loss) per share as determined under IFRS.

	Three months ended		Six months ended	
	June 30		June 30	
	2014	2013	2014	2013
Net earnings (loss)	\$ (35,037)	\$ 23,097	\$ (89,980)	\$ 46,510
Adjusted for:				
Fair value (gain) loss of the convertible notes	15,103	(40,695)	31,582	(79,330)
Foreign exchange (gain) loss	(989)	5,791	(916)	8,074
Non-cash unrealized (gain) loss on derivative instruments	1,228	-	5,480	-
Accretion on convertible notes	6,181	-	12,134	-
Unwinding of discount on decommissioning and restoration provisions	74	38	168	69
Electricity rebate	(3,930)	-	(3,930)	-
Adjusted net earnings (loss)	\$ (17,370)	\$ (11,769)	\$ (45,462)	\$ (24,677)
Adjusted basic earnings (loss) per share	\$ (0.12)	\$ (0.10)	\$ (0.29)	\$ (0.20)

The Company has included the additional IFRS measure "Earnings (loss) from mine operations" in this press release. Management noted that "Earnings (loss) from mine operations" provides useful information to investors as an indication of the Company's principal business activities before consideration of how those activities are financed, sustaining capital expenditures, corporate and exploration and evaluation expenses, finance income and costs, and taxation.

Forward-Looking Information

This press release contains certain forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements"). Specifically, this press release contains forward-looking statements regarding 2014 production of between 450,000 and 480,000 ounces; 2014 total cash costs of between \$900 and \$975 per ounce sold; reaching mill design capacity of 55,000 tonnes per day by year-end; an increase in mining rates to 250,000 tpd by year-end; completion of the development of the southwall pushback in the third quarter of 2014; a continuing downward trend in unit operating costs; mine output of 82 Mt and mill output of 17.7 Mt in 2014; sustaining capital expenditures for 2014 of between \$125 and \$135 million for 2014; maintaining a minimum of \$100 million in cash and short term investments; repaying up to \$80 million of debt in 2014; and continuing to advance certain organic growth and optimization initiatives in 2014.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which are beyond Detour Gold's ability to predict or control and may cause Detour Gold's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, gold 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 gold exploration and development industry, as well as those risk factors discussed in the section entitled "Description of Business - Risk Factors" in Detour Gold's 2013 AIF and in the continuous disclosure documents filed by Detour Gold on and available on SEDAR at www.sedar.com. Such

forward-looking statements are also based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for exploration and development activities; operating and capital costs; the Company's ability to attract and retain skilled staff; the mine development schedule; sensitivity to metal prices and other sensitivities; the supply and demand for, and the level and volatility of the price of, gold; timing of the receipt of regulatory and governmental approvals for development projects and other operations; the supply and availability of consumables and services; the exchange rates of the Canadian dollar to the U.S. dollar; energy and fuel costs; the accuracy of reserve and resource estimates and the assumptions on which the reserve and resource estimates are based; market competition; ongoing relations with employees and impacted communities and general business and economic conditions. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date hereof, or such other date or dates specified in such statements. Detour Gold undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein 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.

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