

# U.S. Silver & Gold reports second quarter financial and operational results

12.08.2014 | [CNW](#)

TORONTO, Aug. 12, 2014 /CNW/ - [U.S. Silver & Gold Inc.](#) (TSX: USA) (OTCQX: USGIF) ("U.S. Silver & Gold" or the "Company") today reported financial and operational results for the second quarter of 2014.

This earnings release should be read in conjunction with the Company's MD&A, Financial Statements and Notes to Financial Statements for the corresponding period, which have been posted on SEDAR at [www.sedar.com](http://www.sedar.com) and are also available on the Company's website at [www.us-silver.com](http://www.us-silver.com). All figures are in U.S. dollars unless otherwise noted.

## Second Quarter Highlights

- Revenues of \$11.3 million and a net loss of \$1.5 million or (\$0.02) per share for the quarter, compared with revenues of \$16.9 million and a net loss of \$8.3 million or (\$0.14) per share in Q2, 2013. Revenues of \$19.4 million and a net loss of \$4.4 million or (\$0.06) per share year-to-date compared with revenues of \$39.8 million and a net loss of \$11.7 million or (\$0.20) per share for the first six months of 2013.
- Mine operating earnings for the quarter of \$0.3 million and positive cash flow from mine operations before working capital adjustments of \$1.0 million, compared to a \$2.3 million mine operating loss and \$6.4 million negative cash flow in Q2, 2013.
- Production of 649,928 silver equivalent ounces<sup>1</sup> including 520,723 silver ounces which represents a 35% increase in silver production compared with 460,490 silver equivalent ounces<sup>1</sup>, including 385,503 silver ounces silver in Q1, 2014.
- Cash costs dropped to \$12.31 per ounce silver, a decrease of 34% from Q1, 2014 and 25% year-over-year, while all-in sustaining costs<sup>2</sup> fell to \$15.36, a reduction of 36% from Q1, 2014 and 35% year-over-year.
- 2014 guidance remains at 2.0 – 2.4 million silver ounces at cash costs of \$14.50 – \$15.50 per ounce and all-in sustaining cash costs<sup>2</sup> of \$18.00 – \$19.00 per ounce.
- As of June 30, 2014, the Company had a cash balance of approximately \$7.2 million and working capital of \$13.8 million representing a 10% increase over \$12.5 million at March 31, 2014.

"Over the last 12 months, we focused on reducing our cost base and right-sizing operations. With that complete, our goal is to return the Company to profitability at current metal prices by year-end," said Darren Blasutti, President and CEO of U.S. Silver & Gold. "The strategy to accomplish this began earlier in the year with a transition toward mining wider, higher silver equivalent grade silver-lead veins, which are well-suited for mechanized mining and less costly to operate. This approach was a significant factor in the Company's strong second quarter operating results, and has not only proved its viability, but has helped us find areas where we can continue to improve as we move forward."

---

<sup>1</sup> Silver equivalent calculation is based on prices of \$20 per ounce silver, \$0.95 per pound lead and \$3.00 per pound copper.

<sup>2</sup> Please see Non-IFRS Measures section of the MD&A for the three and six months ended June 30, 2014.

## Production and Operating Costs

As reported in the July 14, 2014 press release, the Galena Complex produced 520,723 ounces of silver during the second quarter of 2014 at an average grade of 13.5 ounces per ton and a cash cost of \$12.31 per ounce of silver. Production increased by 35% over Q1, 2014 as stopes that had been undergoing planned sand cycles earlier in the year became available and staff transitions from silver-copper stopes to wider, silver-lead stopes were completed. In addition, lead head grade decreased from 9.19% in Q2, 2013 to 5.97% in Q2, 2014 due to stope availability and ore sequencing as the Company developed into higher grade ore for production later in the year. Cash costs fell 34% compared with the first quarter of 2014 and 25% year-over-year; while, all-in sustaining costs<sup>2</sup> were reduced by 36% quarter-over-quarter and 35% year-over-year following comprehensive cost-cutting initiatives implemented over the last 12 months.

Table 1  
Galena Production Details

	Q2 2014	Q2 2013
Total ore processed (tons milled)	40,166	58,585
Silver – copper	21,697	43,375
Silver – lead	18,469	15,210
Silver produced (ounces)	520,723	629,227
Lead produced (pounds)	2,040,198	2,636,089
Copper produced (pounds)	215,302	268,392
Silver recoveries (percent)	96.1	96.4
Lead recoveries (percent)	92.6	94.4
Copper recoveries (percent)	96.2	96.3
Silver head grade (ounces per ton)	13.49	11.14
Silver – copper	17.24	11.83
Silver – lead	9.08	9.20
Lead head grade (percent)	5.97	9.19
Copper head grade (percent)	0.52	0.32
Silver sold (ounces)	460,037	661,056
Lead sold (pounds)	1,955,807	2,791,816
Copper sold (pounds)	173,386	295,486
Realized silver price (\$ per ounce) <sup>3</sup>	\$19.48	\$23.26
Realized lead price (\$ per pound) <sup>3</sup>	\$0.96	\$0.94
Realized copper price (\$ per pound) <sup>3</sup>	\$3.05	\$3.27
Silver cash costs (\$ per ounce) <sup>2</sup>	\$12.31	\$16.41
All-in sustaining costs (\$ per ounce silver) <sup>2</sup>	\$15.36	\$23.65

The Company recorded a net loss of \$1.5 million for the quarter and \$4.4 million year-to-date, compared with a net loss of \$8.3 million for the second quarter of 2013 and \$11.7 million for the six months ended June 30, 2013. The decreased loss is due to reductions in cost of sales, general and administrative expenses, exploration costs, care and maintenance, depreciation, depletion, amortization and stock-based compensation. In addition, a shipment of silver-copper concentrate produced during the quarter did not arrive at the smelter until early July, and was therefore unsold at the end of Q2, 2014.

<sup>3</sup> Realized metal prices represent the weighted average metal prices on amounts settled from smelters on final overrun of metals during the period. Management uses these measures internally to better assess performance. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

## Exploration Update

In the second quarter, drilling continued to follow the 2014 exploration budget designed to: a) develop near-term resources; b) provide information to help refine the highest grade silver equivalent areas in proximity to existing infrastructure for mining; c) complete block modelling on priority veins; and, d) evaluate drill results from 2013.

The proposed budget is projected at \$1.7 million for the year of which \$0.7 million was spent in the first half of 2014. The Company drilled 10,629 feet underground during the first half of the year with two drill crews operating our in-house drills. The Company continues to reduce the backlogged drill core. The use of in-house drills and crews has resulted in a lowering of drilling cost to under \$35 per foot during the first half of

2014 compared to our previous contract rates of over \$50 per foot.

Recent selected silver/lead drilling results are provided below. Additional results are available at [www.us-silver.com](http://www.us-silver.com).

Hole No.	From (ft)	To (ft)	Width (ft)	True Thickness (ft)	Ag (oz/ton)	Cu (%)	Pb (%)	Ag Equivalent (oz/ton)	Ag Equivalent (g/t)
52-434	0.0	7.0	7.0	5.4	98.9	-	27.0	124.6	4,272.0
52-434	13.50	15.2	1.7	1.5	20.0	-	22.7	41.6	1,424.9
37-295	118.0	124.5	6.5	5.6	4.0	-	9.9	13.5	460.9
37-296	135.0	140.0	5.0	3.8	4.6	-	10.7	14.8	506.9
37-297	276.5	280.0	3.5	2.9	10.7	-	28.0	37.3	1,277.3
37-297	340.0	347.3	7.3	4.6	14.3	-	3.1	17.3	591.9
37-305	235.0	255.0	20.0	12.8	16.0	0.9	-	18.8	637.6
40-347	64.8	67.5	2.7	1.4	202.0	4.0	-	214.8	7,335.9
46-273	0.0	6.8	6.8	3.4	16.3	0.3	-	17.2	588.2
46-273	62.7	65.9	3.2	1.4	148.6	2.4	-	155.7	5,336.7
46-276	10.5	14.5	4.0	3.6	54.3	0.7	-	56.3	1,931.3

Note that the intersection in drill hole 52-434 (98.97 ounces per ton and 27% lead) begins at the start of the hole and will allow for easy access to this high grade mineralization. It is visible in the wall of the drift but the extent of the mineralization was not previously known. The intersections on the 4600 Level in drill holes 46-273 and 46-276 are exploring newly discovered (as well as known) tetrahedrite veins close to the existing workings.

Drilling in the upper country silver-lead veins was completed in the latest period and preliminary block-modeling of this series of veins will now be undertaken. As stated in the May 14, 2014 press release, these veins had undergone only limited historical development during the mine's decades-long exclusive focus on silver-copper. As a result, only a small amount of production mining took place and this area was left readily available via established development and infrastructure. The development of block models for this area will assist in the mine planning effort and efficient extraction of this ore consistent with our stated strategy.

### Financial Position

The Company's cash and cash equivalents at June 30, 2014 totaled \$7.2 million compared to \$7.2 million at December 31, 2013, while net working capital totaled \$13.8 million and \$12.2 million respectively for the same dates.

### Quality Assurance / Quality Control ("QA/QC")

U.S. Silver & Gold maintains a QA/QC Program for all assays, including the use of standards, blanks and duplicates. All QA/QC results are routinely evaluated using a program of QA/QC monitoring. Details of the program are provided in the Company's NI 43-101 compliant Technical Report on the Galena Project dated March 22, 2013.

### About U.S. Silver & Gold Inc.

[U.S. Silver & Gold](http://www.us-silver.com) is a silver and gold mining company focused on growth from its existing asset base and execution of targeted accretive acquisitions. It owns and operates the Galena Mine Complex in the heart of

the Silver Valley/Coeur d'Alene Mining District, Shoshone County, Idaho which produces high-grade silver and is the second most prolific silver mine in U.S. history, delivering over 200 million ounces to date. The Caladay Zone is being evaluated for bulk mining development.

Mr. Daren Dell, Vice President, Technical Services and a Qualified Person under Canadian Securities Administrators guidelines, has approved the applicable contents of this news release.

For further information please see SEDAR or [www.us-silver.com](http://www.us-silver.com).

**Cautionary Statement Regarding Forward Looking Information:**

*This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information includes, but is not limited to, the Company's expectations intentions, plans, and beliefs with respect to, among other things, the Galena Complex and the Drumlummon Mine. Often, but not always, forward-looking information can be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may", and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions, or statements about future events or performance. Forward-looking information is based on the opinions and estimates of the Company as of the date such information is provided and is subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward looking information. This includes the ability to develop and operate the Galena and Drumlummon properties, risks associated with the mining industry such as economic factors (including future commodity prices, currency fluctuations and energy prices), failure of plant, equipment, processes and transportation services to operate as anticipated, environmental risks, government regulation, actual results of current exploration activities, possible variations in ore grade or recovery rates, permitting timelines, capital expenditures, reclamation activities, social and political developments and other risks of the mining industry. Although U.S. Silver & Gold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. Readers are cautioned not to place undue reliance on such information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific those contribute to the possibility that the predictions, forecasts, and projections of various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.*

**Contact**

[U.S. Silver & Gold Inc.](#)

Darren Blasutti, President and CEO, 416-848-9503

Nicole Richard, Investor Relations, 416-848-9503

---

Dieser Artikel stammt von [Rohstoff-Welt.de](http://Rohstoff-Welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/179951--U.S.-Silver-und-Gold-reports-second-quarter-financial-and-operational-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](#).