

Torex Announces Updated Capex for El Limon-Guajes Project and Receives Second Drawdown on Loan Facility

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TORONTO, ONTARIO--(Marketwired - Jan 29, 2015) - [Torex Gold Resources Inc.](#) (the "Company" or "Torex") (TSX:TXG) announces an update on the status of the development of the EL Limon-Guajes Project (the "Project").

The Company has advanced the development of the "North Nose" area of the Project. It is expected that this will increase gold production in 2015/2016. While anticipated, this work was not included in the previously approved capital expenditures and will result in an increase of estimated capital expenditures ("Capex Estimate") in the amount of \$22 million. The total Capex Estimate for the Project is now at \$800 million, representing an increase of approximately \$53 million from the previously approved \$725 million capex budget. In addition to the \$22 million increased capital expenditures related to the "North Nose" area of the Project, the Capex Estimate also includes approximately \$47 million of contingency and accounts for the escalation of costs compared to the 2012 feasibility estimates. The Project remains fully funded and a \$60 million second draw on the previously announced project finance facility was received on January 28th.

Three processes were recently completed to refine the estimate of the costs of construction and early production. With engineering effectively finalized, the first process was to complete a definitive project estimate. The second was a push made late in the year to get all potential 2014 invoices submitted, which surfaced a number of extra charges for earthworks where estimated sub-surface conditions differed from actual conditions. The third process was completing the budget for 2015 mining and processing costs, which illustrated an escalation in costs compared to the 2012 feasibility estimates.

Fred Stanford, President and CEO said, "This is a robust Project, it is fully financed and we expect to complete its construction in Q3 of this year. The inclusion of the North Nose ore early in the mine life overcomes the impact of the total increase in Capex Estimate, with no resulting change to the Project IRR over the previous capex, at \$1250 per ounce gold and with all other variables held constant." He added, "The primary drivers of increase in the Capex Estimate include: (i) increase costs for earthworks, which are substantially complete; (ii) relocating the village, which will cost more due primarily to an increase, above estimate, in the number of families requiring a home, and increased costs per home to obtain community acceptance; (iii) engineering dictated some adjustments to the processing plant; and, (iv) inflationary pressures that are not offset by fuel costs which have remained high compared to market prices, due to prices set by the monopoly supplier. An additional factor has been Guerrero State social unrest. This affects the willingness of construction contractors and their employees to come to the state when there is adequate work elsewhere for them. The potential impact of this to cost and schedule is difficult to quantify, which is one of the reasons that, even after effectively finalizing the engineering work, the contingency has been left at a significant level. Production is anticipated to begin in the third quarter of 2015 ("Q3") although it may be later in Q3 than originally planned."

Despite the social unrest in Guerrero State, the site remains secure and productive. Mining is done by the Company's own employees and there have been no issues with employee availability. At the end of 2014, 390,000 tonnes were in stockpile. Mining is on schedule and will continue to build stockpile. The stockpile will provide additional feed for the mill, which is constrained by ore availability in 2016, until the El Limon pit is in production in 2017.

The previously announced loan facility is comprised of two separate facilities, a project finance facility of \$300 million and a cost overrun facility of \$75 million. Dollar amounts are USD unless otherwise indicated.

Torex is a growth-oriented, Canadian-based resource company engaged in the exploration and development of its 100% owned Morelos Gold Property, an area of 29,000 hectares in the highly prospective Guerrero

Gold Belt located 180 kilometers southwest of Mexico City. Within this property, Torex has two projects: the El Limon-Guajes Project, currently under development, and the Media Luna Project, at an advanced stage of exploration. Torex intends to identify a pipeline of future economic deposits within its property, which remains 75% unexplored.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation.

Notwithstanding the Company's efforts and those factors set out above, there can be no guarantee that the Company will not face unforeseen delays or additional cost increases.

Forward-looking information also includes, but is not limited to, the estimated capital costs to complete the Project, the availability and performance of construction contractors, suppliers and consultants, the expected date of completion, commissioning and start-up of the mine and processing facilities of the Project and expected revenues from operations, the further advances of funds pursuant to the loan facility (which are subject to certain customary conditions precedent), the use thereof, safety and security, and access to the Project. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "estimates", "intends", "anticipates" or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made at the date that such statements are made. Forward-looking information 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, including those risk factors identified in the Company's annual information form and management's discussion and analysis. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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