

Detour Gold Reports Fourth Quarter and Full-Year 2014 Results and Year-End 2014 Mineral Reserve and Resource Estimates

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TORONTO, ONTARIO--(Marketwired - Mar 6, 2015) - [Detour Gold Corp.](#) (TSX:DGC) ("Detour Gold" or the "Company") reports its financial results for the fourth quarter and full-year 2014. The Company previously released its fourth quarter and full-year 2014 operational results on January 15, 2015. All amounts are in U.S. dollars unless otherwise indicated.

This press release should be read in conjunction with Detour Gold's consolidated Financial Statements and related notes and schedules for the year ended December 31, 2014, and related Management's Discussion and Analysis ("MD&A"), which can be found on the Company's website www.detourgold.com under the Investor Centre section or on SEDAR www.sedar.com.

2014 Highlights

- Gold production of 456,634 ounces
- Revenues of \$535.8 million
- Operating cash flow before changes in working capital of \$128.7 million
- Total cash costs of \$928 per gold ounce sold⁽¹⁾
- Net loss of \$149.5 million or \$0.97 per share and adjusted net loss of \$77.6 million (\$0.50 per share)⁽¹⁾
- Cash and short-term investments balance of \$135.3 million at December 31, 2014

Q4 2014 Highlights

- Gold production of 116,770 ounces
- Revenues of \$150.6 million
- Total cash costs of \$874 per gold ounce sold⁽¹⁾
- Net loss of \$58.7 million (\$0.37 per share) and adjusted net loss of \$15.6 million (\$0.10 per share)⁽¹⁾

Recent Highlights

- Closed equity financing for gross proceeds of \$128.8 million (refer to February 10, 2015 press release)
- Repaid debt of approximately \$124 million
- Proven and probable mineral reserves at year-end 2014 total 15.0 million ounces, a 4% decrease from the prior year due to mining depletion (refer to page 4)
- Measured and indicated mineral resources at year-end 2014 total 4.9 million ounces, unchanged from year-end 2013.

Selected Financial Information

(in \$ millions unless specified)	2014 Q4	2013 Q4	2014 Annual	2013 Annual
Gold ounces produced	116,770	81,877	456,634	232,287
Gold ounces sold ⁽²⁾	124,913	95,000	423,013	212,522
Average realized price (\$/oz) ⁽³⁾	1,202	1,269	1,264	1,283
Total cash costs (\$/oz sold) ^{(2), (4)}	874	1,174	928	1,182
Metal sales ⁽⁵⁾	150.6	120.8	535.8	153.9
Production costs	110.3	98.0	392.1	128.3
Depreciation and depletion	43.1	34.0	149.3	36.9
Mine standby costs	-	4.2	-	4.2
Inventory write down	-	14.6	-	14.6

Cost of sales	153.4	150.8	541.4	184.0
Loss from mine operations	(2.8)	(29.9)	(5.6)	(30.2)
Net loss	(58.7)	(47.0)	(149.5)	(12.3)
Net loss per share	(0.37)	(0.34)	(0.97)	(0.10)
Adjusted net loss ⁽²⁾	(15.6)	(35.9)	(77.6)	(71.2)
Adjusted net loss per share ⁽²⁾	(0.10)	(0.26)	(0.50)	(0.55)

Note: Totals may not add up due to rounding.

Financial Performance

- Revenues for the full year were \$535.8 million from selling 423,013 ounces of gold at an average realized price of \$1,264 per ounce⁽²⁾. Commercial production was declared on September 1, 2013 and as such there is no comparative period. Revenues for the fourth quarter 2014 were \$150.6 million from the sale of 124,913 ounces of gold at an average realized price of \$1,202 per ounce⁽²⁾.
- For 2014, net losses totaled \$149.5 million (\$0.97 per share) and included \$247.3 million of non-cash items: depreciation and depletion of \$150.1 million, deferred tax expense of \$34.4 million, accretion charges on the convertible notes of \$25.2 million, mark-to-market fair value loss on the convertible notes of \$14.9 million, and non-cash shared-based compensation expense of \$8.8 million. Net loss for the fourth quarter 2014 was \$58.7 million (\$0.37 per share) compared to net losses of \$47.0 million (\$0.34 per share) in the fourth quarter of 2013.
- Adjusted net loss⁽²⁾ for 2014 totaled \$77.6 million (\$0.50 per share) and is primarily the result of recording operating losses while the mine continues to ramp-up to full production levels. Adjusted net loss⁽²⁾ for the fourth quarter 2014 totaled \$15.6 million (\$0.10 per share) compared to \$35.9 million (\$0.26 per share) in the prior year period.

Liquidity and Capital Resources

- Cash and cash equivalents were \$135.3 million at December 31, 2014, compared to \$90 million at December 31, 2013.
- On February 10, 2015, the Company closed a bought deal financing for gross proceeds of \$128.8 million and used the proceeds to repay outstanding balance of \$30 million on its revolving credit facility and equipment finance leases of approximately \$94 million.

Production and Costs

- Gold production totaled 116,770 ounces in the fourth quarter of 2014, compared to 81,877 ounces in the prior year period. For the full year 2014, gold production totaled 456,634 ounces, an increase of 97% over 2013 gold production of 232,287 ounces. The increase is mainly due to the gradual ramp-up of the mine at higher mill throughput levels. The amount of ounces sold was lower than production mainly due to the re-building of the gold-in-circuit inventory following the drawdown at year-end 2013 and higher finished metal inventories.
- Total cash costs for the fourth quarter of 2014 were \$874 per ounce sold⁽⁶⁾ compared to \$1,174 per ounce sold⁽¹⁾ in the prior year period. Total cash costs for 2014 were \$928 per ounce sold⁽¹⁾. The significant reduction is mainly due to higher gold production as the mine ramps up to design levels and a more favorable exchange rate.
- For the fourth quarter of 2014, unit mining costs totaled Cdn\$3.22/tonne mined and were higher than plan due to the shortfall in tonnes mined. Unit milling costs totaled Cdn\$9.76/tonne milled, mainly due to lower electricity charges.
- Sustaining capital expenditures totaled \$132.2 million in 2014 and included stripping costs of \$25.6 million.

Financial Risk Management (at March 6, 2015)

- In accordance with the Company's gold sales risk management policy, management is permitted to enter into transactions to hedge up to 50% of the Company's 2015 forecasted gold sales. As at March 6, 2015, the Company had a total of 110,000 ounces of outstanding gold hedges at an average price of \$1,250 per ounce to be settled before the end of the third quarter.
- The Company has entered into "zero-cost" collars to hedge a portion of its Canadian dollar expenditures in the first nine months of 2015. As at March 6, 2015, the Company had used zero-cost collars to hedge a total of \$90.0 million, guaranteeing it will purchase Canadian dollars at a rate of no worse than 1.11 and can participate at a rate of up to 1.20. In addition, the Company has \$50.0 million of forward contracts at an average exchange rate of 1.26.

2014 Annual Mineral Reserve and Resource Statement

The Company used the same methodology and parameters for the current mineral reserve and resource estimates as year-end 2013, including a gold price assumption of \$1,000 per ounce for the mineral reserve estimate and \$1,200 per ounce for the mineral resource estimate, and a Cdn\$/US\$ exchange rate of 1.03 (for details, refer to the "Detour Lake Mine NI 43-101 Technical Report" dated February 4, 2014). For 2014, all changes to mineral reserves and resources are due to mining depletion. A change in gold grade calculation for blocks near old underground workings or surface till, to more accurately reflect material dilution, impacted the overall gold grade by less than 1%.

Mineral Resources and Reserves (As at December 31, 2014) ^{(1), (5)}

		Tonnes (Mt)	Grade (g/t Au)	Contained Gold (000's oz)
Reserves^{(2), (3)}				
Detour Lake Mine	Proven	94.2	1.25	3,795
	Probable	364.6	0.95	11,146
	P&P	458.8	1.01	14,941
	Stockpiles	0.7	0.74	16
Total P&P		459.4	1.01	14,957
Resources^{(3), (4)}				
Detour Lake Mine	Measured (M)	16.4	1.37	725
	Indicated (I)	65.9	1.01	2,150
	M+I	82.4	1.09	2,874
Block A	Measured (M)	1.5	1.21	57
	Indicated (I)	52.5	1.15	1,934
	M+I	53.9	1.15	1,991
Total M+I		136.3	1.11	4,866
Detour Lake Mine	Inferred	19.1	0.75	463
Block A	Inferred	2.5	1.23	99
Total Inferred		21.6	0.81	562

(1) CIM definitions were followed for mineral reserves and resources.

(2) Mineral reserves estimated using a 4% dilution at 0.20 g/t Au and 5% ore loss.

(3) Based on an elevated cut-off grade of 0.5 g/t Au for Detour Lake and cut-off grade of 0.6 g/t Au for Block A.

(4) Mineral resources are exclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

(5) Totals may not add due to rounding.

2015 Exploration Program

The initial 2,100 metre drilling program (3 holes) at Lower Detour started at the end of January, targeting the depth extension of the high-grade gold mineralization intersected in last year's drilling program in Zone 58 N. The Company has now completed approximately 3,500 metres of drilling in five holes, covering a strike length of 200 metres. All holes have intersected the mineralized zone at 150 to 200 metres below last year's drill holes. Results from the program will be released once all assays have been received.

Board of Directors

Mr. Peter Crossgrove, who has served as a director of Detour Gold since March 2009, and its Lead Director

until May 2014, retired from the Board of Directors today. Mr. Crossgrove was also a member of the Audit, Corporate, Social Responsibility and Technical committees of the Board. "Peter has been a distinguished contributor within the Canadian mining industry and a valuable member of the Board over the years and we are grateful for the contributions he has made during Detour Gold's progress through exploration, development, construction and, ultimately, operations and wish him all the best in the future," noted Mr. Kenyon, Chair of the Board.

Upcoming News Flow

The Company expects to announce the following updates during the first half of 2015:

- Exploration Results (late April)
- Q1 2015 Operational and Financial results (late April)

Annual General and Special Meeting of Shareholders

Detour Gold's Annual General and Special Meeting of Shareholders will be held on May 5, 2015 at 10:00 AM in the St. Andrew's Hall (27th Floor) of the St. Andrew's Club & Conference Centre at 150 King Street West in Toronto.

Technical Information

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

Scientific and technical information related to the mineral reserves and resources contained in this press release was reviewed and approved by Patrice Live, Eng., Director Mining at BBA Inc. (mineral reserves) and Yann Camus, Eng., Project Engineer at SGS Canada Inc. (mineral resources).

About Detour Gold

Detour Gold is a mid-tier gold producer in Canada that holds a 100% interest in the Detour Lake mine, a long life large-scale open pit operation.

Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures in this press release, including "total cash costs", "average realized price and average realized margin", and "adjusted net loss". 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. Refer to the Company's MD&A for the year ended December 31, 2014 for full details.

Total cash costs

Detour Gold reports total cash costs on a sales basis. Total cash costs 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 stand-by 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. Other companies may calculate this measure differently.

	Three months ended December 31		Year ended December 31	
(Thousands of US Dollars except per ounce amounts)	2014	2013	2014	2013
Production costs	\$ 110,265	\$ 97,965	\$ 392,120	\$ 128,328
Share-based compensation	(631)	(1,255)	(2,284)	(1,632)
Silver sales	(459)	(301)	(1,106)	(301)
Electricity rebate	-	-	3,930	-
Mine standby costs	-	4,191	-	4,191
Inventory write down, net of depreciation	-	10,909	-	10,909
Total cash costs	\$ 109,175	\$ 111,509	\$ 392,660	\$ 141,495
Gold ounces sold	124,913	95,000	423,013	119,700
Total cash costs per gold ounce sold	\$ 874	\$ 1,174	\$ 928	\$ 1,182

Gold ounces sold in the comparative prior year period exclude pre-commercial production ounces (prior to September 1, 2013) as these are credited against capitalized project costs.

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 December 31		Year ended December 31	
(Thousands of US Dollars except per ounce amounts)	2014	2013	2014	2013
Metal sales	\$ 150,606	\$ 120,836	\$ 535,786	\$ 153,924
Silver sales	(459)	(301)	(1,106)	(301)
Revenues from gold sales	\$ 150,147	\$ 120,535	\$ 534,680	\$ 153,623
Gold ounces sold	124,913	95,000	423,013	119,700
Average realized price	\$ 1,202	\$ 1,269	\$ 1,264	\$ 1,283
Less: Total cash costs per gold ounce sold	(874)	(1,174)	(928)	(1,182)
Average realized margin per gold ounce sold	\$ 328	\$ 95	\$ 336	\$ 101

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. Accordingly, it is 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. Other companies may calculate these measures differently.

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, including the foreign exchange on deferred income and mining taxes, non-cash unrealized gains and losses on derivative instruments, 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 shares outstanding under the basic method of earnings (loss) per share as determined under IFRS.

	Three months ended December 31		Year ended December 31	
(Thousands of US Dollars except per share amounts)	2014	2013	2014	2013
Net loss	\$ (58,748)	\$ (46,960)	\$ (149,495)	\$ (12,296)
Adjusted for:				
Fair value (gain) loss of the convertible notes	(2,086)	(10,618)	14,871	(88,866)
Foreign exchange loss	817	1,094	1,202	7,369
Foreign exchange on deferred income taxes	34,379	-	34,379	-

Non-cash unrealized (gain) loss on derivative instruments	3,347	108	(111)	108
Accretion on convertible notes	6,661	5,737	25,213	7,602
Unwinding of discount on decommissioning and restoration provisions	75	82	309	227
Electricity rebate	-	-	(3,930)	-
Inventory write down	-	14,636	-	14,636
Adjusted net loss	\$ (15,555)	\$ (35,921)	\$ (77,562)	\$ (71,220)
Adjusted basic loss per share	\$ (0.10)	\$ (0.26)	\$ (0.50)	\$ (0.55)

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

Forward-Looking Information

This press release contains certain forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements"). 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.

Information Containing Estimates of Mineral Reserves and Resources

The mineral reserve and resource estimates were prepared in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), as required by Canadian securities regulatory authorities. Readers are advised to refer to the latest annual information form of the Company and other continuous disclosure documents filed by the Company available at www.sedar.com, for detailed information regarding the mineral reserve and resource estimates contained on this website. For United States reporting purposes, the United States Securities and Exchange Commission ("SEC") applies different standards in order to classify mineralization as a reserve. In particular, while the terms "measured", "indicated" and "inferred" mineral resources are required pursuant to NI 43-101, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into reserves. In addition, "inferred" mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, issuers must not make any disclosure of results of an economic analysis that includes inferred mineral resources, except in rare cases.

(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 relevant periods.

(2) Gold ounces are net of 2% royalty ounces payable in kind.

- (3) 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.
- (4) Total cash costs are calculated on post-commercial ounces sold only (119,700 ounces for the period September 1 to December 31, 2013).
- (5) Sales prior to commercial production (September 1, 2013) were credited against capitalized project costs. Includes silver sales.
- (6) 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.

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