

# VMS Ventures Inc.: Provides Update on Reed Mine to the end of June 2015

21.09.2015 | [Marketwired](#)

VANCOUVER, Sep 21, 2015 - [VMS Ventures Inc.](#) (TSX VENTURE:VMS) ("VMS Ventures" or the "Company") is pleased to update shareholders on the performance of the Reed mine to the end of June 2015 and provide a summary of the financial report received from joint venture partner Hudbay. VMS Ventures owns 30% and [HudBay Minerals Inc.](#) (TSX:HBM)(NYSE:HBM) ("Hudbay") owns 70% and is the Operator.

## Reed Mine Development Update

During the months of April to June 2015 the Reed mine produced 112,505 tonnes, primarily from zone 20. The table below shows production from April 2015 to June 2015 and year-to-date results.

	April	May	June	Apr-Jun Production	YTD Production
Tonnes Hoisted	39,236	42,494	30,775	112,505	231,150
Au	0.597	0.544	0.662	0.595	0.601
Ag	5.866	5.456	7.689	6.210	6.450
Cu	2.67	3.217	3.55	3.117	2.959
Zn	0.918	0.792	1.139	0.931	0.801

The decline is close to the 285 metre level and ore development continues on the 260 and 265 metre levels. Three slot raises have been completed for stope production and the vent raise from 235 to 160 metre level has also been completed.

## Financial Information

The following financial information for the Reed mine was provided to the Company by Hudbay as part of its joint venture reporting obligations and a detailed summary can be found in the VMS Ventures Management Discussion and Analysis for the quarter ended May 31, 2015.

As of April 1, 2014, the Company started commercial production on the Reed mine. As per the Joint Venture Agreement with Hudbay, a contribution loan was established to record the Company's 30% share of the mine development costs incurred by Hudbay to the date of commercial production. The Company reports quarterly drawdowns on the loan based on gross profits before depletion from actual ore concentrate sales less production costs and accrued interest on the bridge loan. This incorporates the delay of approximately 100 days before the ore concentrate sales are finalized. The contribution loan is interest free. In December 2014, the quarter was negatively impacted by lower copper concentrate and head grades.

## VMS Contribution Loan Continuity Schedule

	30 Apr 14	30 Sep 14	31 Dec 14	31 Mar 15	30 Jun 15
Opening Balance	23,741,563.30	23,741,563.30	22,436,990.93	21,841,423.75	20,295,110.99
Drawdown: Payment from Ore Purchase		(1,34,572.37)	(595,567.18)	(1,546,312.76)	(1,424,543.47)
End Balance of Contribution Loan	23,741,563.30	22,436,990.93	21,841,423.75	20,295,110.99	18,870,567.52

VMS Ventures Interim CEO and President, John Roozendaal states: "The continuity schedule above indicates the current quarterly drawdowns since the start of production at the Reed mine. For the period April 2014 to March 2015 the Company has reported \$19,197,271.13 in gross profits less production costs for the period July 2014 to June 2015 \$13,991,585.72, which includes \$334,629.79 of accrued interest on the bridge loan for net drawdowns on the contribution loan of \$4,870,995.78. At June 30, 2015 the balance of the

contribution loan is \$18,870,567.52."

The bridge loan which funded production costs generated from April 2014 to June 2014 has a balance of \$3,348,130.73. This loan principal will not be repaid from the gross profit of the mine until the contribution loan has been repaid in full. The accrued interest calculated at 8% per annum is repaid from the gross profits of the mine.

The reporting period for VMS Ventures does not synchronize with its Reed mine partner and operator Hudbay Minerals resulting in a delay to which information can be disseminated. The Company has initiated the steps to resolve this by amending the year end to match that of Hudbay.

In addition, the on-going production costs, related administrative and operator costs are due from VMS and Hudbay based on the percentage interest. Hudbay issues quarterly cash call reports to the Company to cover the quarterly expenses. In general, the proceeds from the ore concentrate sales should be in excess of the production, administrative and operator costs and therefore the company should not need to make any cash contributions. The quarterly drawdown on the loan is generated by finalized ore sales, which take approximately 100 days to receive, less current period costs.

### Qualified Person

All technical information in this release has been reviewed by Neil W. Richardson, P.Geo, who is the Chief Operating Officer for the Company and Qualified Person.

### About VMS Ventures Inc.

VMS Ventures is a mining and mineral exploration company currently in a joint venture with Hudbay on the producing Reed mine near Flin Flon Manitoba. VMS Ventures holds a 30% interest in the Reed mine which is operated by Hudbay. The Reed mine achieved full production during Q2 of 2014. In addition, VMS Ventures is exploring a large prospective property package in Manitoba. The Company also holds approximately 14.5% of the shares of [North American Nickel](#) (TSX VENTURE:NAN) which is exploring a new district scale nickel-copper-cobalt PGE deposit belt in S.W. Greenland.

### ON BEHALF OF THE BOARD OF DIRECTORS

John Roozendaal, B.Sc.  
Interim CEO and President, VMS Ventures Inc.

*Neither the TSX Venture Exchange nor its Regulation Service Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy of accuracy of this news release.*

### Contact

[VMS Ventures Inc.](#)  
Evan Sleeman, Corporate Secretary  
(604) 986-2020 or Toll Free: 1-866-816-0118  
[www.vmsventures.com](http://www.vmsventures.com)

---

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/211514--VMS-Ventures-Inc.--Provides-Update-on-Reed-Mine-to-the-end-of-June-2015.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](#).