

Copper Mountain Mining Announces Q3 Financial 2017 Results

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Web Site: www.CuMtn.com
TSX: CMMC

VANCOUVER, Nov. 6, 2017 /CNW/ - [Copper Mountain Mining Corp.](#) (TSX: CMMC) (the "Company" or "Copper Mountain") announces third quarter revenues of \$77.1 million after pricing adjustments and treatment charges from the 22.6 million pounds of copper equivalent, including 19.3 million pounds of copper, 6,500 ounces of gold, and 72,700 ounces of silver. Total cash cost for the quarter ended September 30, 2017 was US\$1.62 per pound of copper sold, net of precious metal credits.

Highlights (100% Basis)

• Copper, gold and silver production for the third quarter of 2017 at Copper Mountain Mine was 24.4 million pounds of copper equivalent which includes 20.9 million pounds of copper, 6,700 ounces of gold and 79,300 ounces of silver.

• Revenues for the third quarter of 2017 were \$77.1 million from the sale of 19.3 million pounds of copper, 6,500 ounces of gold, and 72,700 ounces of silver, net of pricing adjustments.

• EBITDA was \$42.9 million for the quarter.

• Net income for the quarter was \$26 million or \$0.15 per share.

• Cash Flow from operations for the quarter was \$31.6 million before working capital changes.

• Cash balance at the the end of Q3 was \$43.6 million.

• Mill throughput averaged 41,158 tpd during the quarter, setting a new quarterly throughput record.

• Site cash costs for the quarter were US\$1.25 per pound of copper produced, net of precious metal credits.

• Total cash costs for the quarter were in line with expectations at US\$1.62 per pound of copper sold, net of precious metal credits and after all off-site charges.

• Realized prices on metal sales for Q3 2017 were US\$2.91 per pound of copper, US\$1,286 per ounce of gold and US\$17.05 per ounce of silver.

Jim O'Rourke, President and CEO of Copper Mountain, remarked "During the third quarter of 2017, Copper Mountain continued to mine at rates well above our guidance levels. Mill throughput averaged 41,158 tpd, 8.4% above forecast and in line to meet our 2017 guidance. The coarser grind from the higher tonnage continues to result in a slightly lower recovery, but copper production remains on target". Mr. O'Rourke continued, "We remain bullish on the outlook for the copper market and with our production on target we are well positioned to benefit from a strong copper price environment. During the first three quarters of 2017 the Company has paid down a total of \$43.8 million in principle and interest on project debt and leases. We continue to focus on cost control and operational improvements to further strengthen the Company's balance sheet."

Summary Financial Results

	Three months ended		Nine months ended	
	September 30,		September 30,	
(In thousands of CDN\$, other than per share and per pound amounts)	2017	2016	2017	2016
	\$	\$	\$	\$
Revenues	77,151	72,195	218,393	193,000
Gross profit	19,550	4,188	39,082	10,000
Operating income (loss)	17,894	523	32,278	(1,200)
Net income (loss)	26,573	(7,937)	43,801	8,710
Net income (loss) per share	0.15	(0.05)	0.24	0.05
Adjusted earnings (loss) ¹	11,051	(1,332)	15,412	(12,000)
Adjusted earnings (loss) per share ²	0.08	(0.01)	0.12	(0.10)
EBITDA ³	42,934	10,006	90,939	57,000
Adjusted EBITDA	27,412	16,611	62,550	35,800
Cash flow from operations	11,109	15,862	39,829	24,400
Total pounds of copper sold (000's lbs)	19,300	23,500	55,900	61,700
Total ounces of gold sold (oz)	6,500	8,600	18,800	22,700
Total ounces of silver sold (oz)	72,700	75,700	199,400	200,000
Cash and cash equivalents			43,645	24,700
Working capital (incl. \$42,977 due to related party (2016 - \$21,893))			(7,165)	(11,000)
Equity			241,039	192,000
Site cash costs per pound of copper produced (net of precious metal credits) (US\$)	1.25	0.97	1.31	1.06
Total cash costs per pound of copper sold (net of precious metal credits) (US\$)	1.62	1.45	1.74	1.49
Realized Copper Price (US\$)	2.91	2.15	2.72	2.13

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Adjusted earnings (loss) calculated by non-GAAP financial measures which exclude unrealized gain/losses on foreign currency contracts, foreign currency gains/losses, impairment charges, and other non-recurring items.

Copper Mountain Mine

During the quarter, the Company completed a total of three shipments of copper concentrate containing approximately 19.3 million pounds of copper, 6,500 ounces of gold, and 72,700 ounces of silver which generated \$77.1 million in revenue net of treatment and refining charges and pricing adjustments. Site cash costs were US\$1.25 per pound of copper produced and total cash costs were US\$1.62 per pound sold, net of precious metal credits for the three months ended September 30, 2017; compared to site cash costs of US\$0.97 per pound of copper produced and total cash costs of US\$1.45 per pound of copper sold, net of precious metal credits for the three months ended September 30, 2016. The increase in revenue is a result of stronger copper prices being realized during the quarter as compared to the same period last year, while the increase in unit costs is a result of the decreased pounds of copper produced due to a lower grade and reduced recoveries combined with a reduction in the precious metal credits as compared to the 2016 comparative period.

Mining activities continued to be focused in the Pit #2, Saddle and Oriole areas for the third quarter of 2017 with a majority of ore coming from the Pit #2 area. Oriole accounted for about 10% of the ore processed during the period. During the quarter, a total of 17.4 million tonnes of material was mined, including 6.8 million tonnes of ore and 10.6 million tonnes of waste for a strip ratio of 1.55:1. Mining costs per tonne during the quarter was \$1.73 per tonne moved.

During the quarter, the mill processed a total of 3.8 million tonnes of ore grading 0.32% copper to produce 20.9 million pounds of copper, 6,700 ounces of gold, and 79,300 ounces of silver. Mill head grade was slightly above guidance for the quarter, while copper recoveries were slightly below plan at 77.3% for the quarter. The lower recoveries can be attributable to the coarser grind that resulted from processing more material and from processing some fine-grained ore in the Saddle area. Mill operating time during the quarter averaged 93.5% while mill tonnage averaged 41,158 tpd.

The Company currently has 455 operating employees engaged at the mine site and maintained its excellent safety record of no loss time accidents.

Mine Production Information	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
Copper Mountain Mine (100% Basis)	2017	2016	2017	2016
Mine:				
Total tonnes mined (000's ⁴)	17,431	15,920	53,600	51,300
Ore tonnes mined (000's)	6,843	5,949	18,835	17,300
Waste tonnes (000's)	10,587	9,972	34,765	33,900
Stripping ratio	1.55	1.68	1.87	1.96
Mill:				
Tonnes milled (000's)	3,787	3,678	10,394	10,400
Feed Grade (Cu%)	0.32	0.33	0.31	0.33
Recovery (%)	77.3	82.9	77.9	82.4
Operating time (%)	93.5	92.2	89.3	91.6
Tonnes milled (TPD ⁵)	41,200	39,980	38,100	38,100
Production:				
Copper production (000's lbs)	20,900	22,000	56,200	62,100
Gold production (oz)	6,700	8,200	18,500	23,700
Silver production (oz)	79,300	81,500	206,800	220,000
Site cash costs per pound of copper produced (net of precious metal credits) (US\$)	1.25	0.97	1.31	1.06
Total cash costs per pound of copper sold (net of precious metal credits) (US\$)	1.62	1.45	1.74	1.49

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Exploration Update:

The Company began a summer 10,000m exploration drilling program at the Copper Mountain Mine. The

2017 program is targeting to further extend Pit 2 to the West and to follow up on the pre-2012 drilling that intersected significant mineralization below Pit 2. Previous drilling by the Company in the Pit 2 Eastern zone intersected a 128m interval grading 1.01% Cu and 0.25g/t Au (including 39m grading 2.33% Cu and 0.38g/t Au) beginning approximately 90m below the current pit bottom in hole 10SD-64. In addition, hole number 10SD-68 intersected 173m interval grading 0.43% Cu and 0.15g/t Au, while hole number 12P2-19 intersected 123m interval grading 0.52% Cu and 0.27g/t Au. The exploration drilling is designed to better determine the trend and continuity for high-grade mineralization at depth under Pit2.

The 2017 program was successful in intercepting the high grade mineralization at depth on the eastern end of Pit 2. Drilling south west of Pit 2 continued to intercept mineralization, but was intermittent as drilling moved outside of the western extremities of the current pit limits, indicating that additional drilling may be required.

With the strengthening of the commodity price over the last year, the Company conducted a review of historical data from the New Ingerbelle Pit. The work was encouraging, and therefore, the Company commenced a 5,000 meter drill program for New Ingerbelle deposit, located about 1km west of the Superpit. Drilling to date has been encouraging and will be completed by year end. The goal of the current drill program is to confirm the historical resource which has the potential to add an extra 10 years to the mine life of the operation.

Listed below is the balance sheet and income statement for Q3 2017 as well as details for our conference call schedule:

Copper Mountain Mining Corporation

Condensed Consolidated Interim Statements of Financial Position

(Unaudited in thousands of Canadian dollars)

	September 30, 2017	December 31, 2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	43,645	31,409
Accounts receivable and prepaid expenses	20,336	26,048
Inventory	56,601	48,465
	120,582	105,922
Reclamation bonds	8,228	8,232
Property, plant and equipment	429,389	463,080
Low grade stockpile	92,093	70,556
	650,292	647,790
Liabilities		

Current liabilities

Accounts payable and accrued liabilities	35,434	36,488
Amounts payable to related parties	42,977	22,653
Current portion of long-term debt	48,341	46,415
Current tax liability	995	1,157
	127,747	106,713
Electricity deferral	5,311	15,385
Decommissioning and restoration provision	5,836	6,312
Interest rate swap liability	3,427	4,088
Long-term debt	266,932	319,759
	409,253	452,257

Equity

Attributable to shareholders of the Company:

Share capital	195,071	194,208
Contributed surplus	15,615	14,773
Accumulated deficit	(42,172)	(73,656)
	168,514	135,325
Non-controlling interest	72,525	60,208
Total equity	241,039	195,533

Three months ended
650,292

September 30,

2017

\$

\$

\$

\$

(In thousands of CDN\$, other than per share amounts)

Revenues	77,151	72,195	218,393	193,473
Cost of sales ⁷	(57,601)	(68,007)	(179,311)	(183,404)
Gross profit	19,550	4,188	39,082	10,069

Other income and expenses

General and administration	(1,307)	(1,465)	(5,647)	(4,444)
Exploration and evaluation				

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Low grade stockpile write-down	-	(2,020)	-	(6,239)
Share based compensation	(349)	(180)	(1,122)	(626)
Operating income (loss)	17,894	523	32,278	(1,240)
Low grade stockpile write-down	-	2,020	-	6,239
Pricing adjustments on concentrate and metal sales	(3,092)	(383)	(6,287)	(7,907)
Finance income	4	5	360	143
Finance expense	(2,968)	(3,240)	(9,702)	(9,224)
Income tax expense	(787)	(257)	(1,258)	(579)
Adjusted (loss) earnings ⁸	11,051	(1,332)	15,412	(12,568)
Pricing adjustments on concentrate and metal sales	3,092	383	6,287	7,907
Unrealized (loss) gains on interest rate swap	77	649	(697)	(2,671)
Low grade stockpile write-down	-	(2,020)	-	(6,239)
Unrealized gain (loss) on foreign exchange	12,353	(4,974)	22,820	22,930
Loss on sale of fixed asset	-	(643)	(21)	(643)
Net income (loss) and comprehensive income (loss) for the period	26,573	(7,937)	43,801	8,716
Net income (loss) and comprehensive income (loss) attributable to:				
Shareholders of the company	19,538	(6,098)	31,484	5,625
Non-controlling interest	7,035	(1,839)	12,317	3,091
	26,573	(7,937)	43,801	8,716
Earnings (loss) per share	0.15	(0.05)	0.24	0.05
Adjusted earnings (loss) per share	0.08	(0.01)	0.12	(0.10)

town of Princeton. The Company has a strategic alliance with Mitsubishi Materials Corporation who owns 25% of the mine. The Copper Mountain mine has a large resource of copper that remains open laterally and at depth. This significant exploration potential is being explored over the next few years in order to fully appreciate the property's full development potential. Additional information is available on the Company's web page at www.CuMtn.com.

A conference call and audio webcast will be held on Monday, November 6, 2017 at 7:30 am (Pacific Daylight Time) for management to discuss the third quarter 2017 results. This discussion will be followed by a question-and-answer period with investors.

Live Dial-in information

Toronto and international: 647-427-7450

North America (toll-free): 1-888-231-8191

To participate in the webcast live via your computer go to:

<http://event.on24.com/r.htm?e=1523105&s=1&k=A43E370074B0D9D8449DB898A9ECA6F5>

Replay call information

Toronto and international: 416.849.0833, passcode 96857152

North America (toll-free): 1.855.859.2056, passcode 96857152

The conference call replay will be available from 10:30 am (PDT) on November 6, 2017, until 11:59 pm PST on November 13, 2017. Participant audio webcast will also be available on the Company's website at <http://www.CuMtn.com>

On behalf of the Board of

COPPER MOUNTAIN MINING CORPORATION

"Rod Shier"

Rodney A. Shier, CPA,CA
Chief Financial Officer

Note: This release contains forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents, filed by the Company on SEDAR at www.sedar.com, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. The Company undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statement.

SOURCE [Copper Mountain Mining Corp.](#)

Contact

Dan Gibbons, Investor Relations, 604-682-2992 ext. 238, Email: Dan@cumtn.com; Rod Shier, Chief Financial Officer, 604-682-2992 ext.222, Email: Rod@CuMtn.com, Website: www.CuMtn.com

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