

Scorpio Gold Reports Financial Results for Third Quarter of 2017

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VANCOUVER, British Columbia, Nov. 29, 2017 (GLOBE NEWSWIRE) -- [Scorpio Gold Corp.](#) (‘Scorpio Gold’ or the ‘Company’) (TSX-V:SGN) announces its financial results for the third quarter ended September 30, 2017 (‘Q3’). This press release should be read in conjunction with the Company’s condensed interim consolidated financial statements for Q3 and Management Discussion & Analysis for the same period, available on the Company’s website at [www.scorpogold.com](#) and under the Company’s name on SEDAR at [www.sedar.com](#). All monetary amounts are expressed in US dollars unless otherwise specified.

PERFORMANCE HIGHLIGHTS:			Nine Months
	Q3 2017	Q3 2016	2016
	\$	\$	\$
Revenue (000’s)	6,042	13,328	22,160
Mine operating (loss) earnings (000’s)	1,088	3,177	2,329
Net (loss) earnings (000’s)	2,774	2,331	3,000
Basic and diluted (loss) earnings per share	0.02	0.01	0.02
Adjusted net (loss) earnings ⁽¹⁾ (000’s)	928	2,379	978
Adjusted basic and diluted net (loss) earnings per share ⁽¹⁾	0.01	0.01	0.03
Adjusted EBITDA ⁽¹⁾ (000’s)	26	3,508	3,593
Adjusted basic and diluted EBITDA per share ⁽¹⁾	0.00	0.02	0.04
Cash flow from operating activities (000’s)	1,037	5,906	3,641
Total cash cost per ounce of gold sold ⁽¹⁾	1,209	956	983
Gold ounces sold	4,827	10,000	12,345
Gold ounces produced	4,935	9,981	12,378

⁽¹⁾ This is a non-IFRS measure; refer to Non-IFRS Measures section of this press release and the Company’s Management Discussion & Analysis for Q3 of 2017 for a complete definition and reconciliation to the IFRS results reported in the Company’s financial statements for Q3 of 2017.

Brian Lock, Interim CEO, comments: ‘The lower amount of gold ounces produced in Q3 2017 compared to Q3 of 2016 is attributed to fewer tons being mined and processed from the existing pits, due to smaller benches being mined in lower pit elevations. This situation affected the number of gold ounces sold and the corresponding revenues for Q3 of 2017. The net loss of \$2.8 million reported for Q3 of 2017 includes a \$1.1 million non-cash impairment charge and a \$0.8 million inventory write-down recorded in that quarter.

‘The net loss of \$3.0 million reported for the nine-month ended September 30, 2017 includes a \$3.4 million non-cash impairment charge and a \$0.8 million inventory write-down recorded during the period.

‘The Company’s annual production forecast for 2017 has been lowered to between 19,000 and 20,000 ounces of gold from the previous production guidance provided of 20,000 to 25,000 ounces of gold.

‘Mining at Mineral Ridge was suspended in early November 2017, after which management expects to generate limited revenue from residual but diminishing gold recoveries from the leach pads. Mining was suspended due to limited remaining pad capacity and higher strip ratios. The company has engaged Mine Technical Services to prepare a NI 43-101 compliant mineral resource estimate for resources already defined on the property that could prove economical when added to a new milling process with gold recoveries estimated to be 93%.

“The Company has engaged Bordeaux Capital Inc. to act as a financial advisor to Scorpio Gold in connection with a proposed financing for the construction of a new milling facility at Mineral Ridge, to re-finance the Company’s current debt and for general working capital purposes. This is a positive step towards unlocking the value of the Mineral Ridge property.

“The Company also notes that the exploration potential associated with its current land position is highly prospective, with total claim holdings of 13,756 acres of which 11,056 are outside the current Plan of Operations boundary and less than five percent of that total has been drilled.”

Highlights for the Third Quarter Ended September 30, 2017 and Subsequent Events:

- 4,935 ounces of gold were produced at the Mineral Ridge mine during Q3 of 2017, compared to 9,981 ounces during Q3 of 2016.
- Revenue of \$6.0 million, compared to \$13.3 million during Q3 of 2016.
- Total cash cost per ounce of gold sold⁽¹⁾ of \$1,209 compared to \$956 during Q3 of 2016.
- Mine operating loss of \$1.1 million compared to mine operating earnings of \$3.2 million during Q3 of 2016.
- Net loss of \$2.8 million (\$0.02 basic and diluted per share), compared to net earnings of \$2.3 million (\$0.01 basic and diluted per share) during Q3 of 2016.
- Adjusted net loss⁽¹⁾ of \$0.9 million (\$0.01 basic and diluted per share) compared to \$2.4 million (\$0.01 basic and diluted per share) for Q3 of 2016.
- Adjusted EBITDA⁽¹⁾ close to nil (\$0.00 basic and diluted per share) compared to \$3.5 million (\$0.02 basic and diluted per share) during Q3 of 2016.
- In October 2017, the Company announced a positive feasibility study for processing the heap leach mineral resource at Mineral Ridge, with a proven & probable mineral reserve of 6.9 million tons grading 0.0171 oz/t (0.59 g/t) or 117,200 oz. of gold.
- On October 24, the Company engaged Mine Technical Services to complete a NI 43-101 mineral resource report on existing drilled targets at the Mineral Ridge mine for possible run of mine feed to the proposed milling facility.
- On November 15, the Company announced the engagement of Bordeaux Capital Inc. to act as a financial advisor to Scorpio Gold in connection with a proposed financing for the construction of a new processing facility at Mineral Ridge, to re-finance the Company’s current debt and for general working capital purposes.

⁽¹⁾ This is a non-IFRS measure; please see Non-IFRS performance measures section.

Highlights for the Nine Months Ended September 30, 2017:

- 15,336 ounces of gold were produced at the Mineral Ridge mine, compared to 28,578 ounces produced during the nine months ended September 30, 2016.
- Revenue of \$22.2 million, compared to \$35.2 million during the nine months ended September 30, 2016.
- Total cash cost per ounce of gold sold⁽¹⁾ of \$991, compared to \$883 during the nine months ended September 30, 2016.
- Mine operating earnings of \$2.4 million, compared to \$8.1 million during the nine months ended September 30, 2016.
- Net loss of \$3.0 million (\$0.02 basic and diluted per share), compared to net earnings of \$4.6 million (\$0.02 basic and diluted per share) during the nine months ended September 30, 2016.
- Adjusted net earnings⁽¹⁾ of \$1.0 million (\$0.00 basic and diluted per share), compared to \$5.7 million (\$0.03 basic and diluted per share) during the nine months ended September 30, 2016.
- Adjusted EBITDA⁽¹⁾ of \$3.1 million (\$0.02 basic and diluted per share), compared to \$7.9 million (\$0.04 basic and diluted per share) million during the nine months ended September 30, 2016.

Non-IFRS Measures

The discussion of financial results in this press release includes reference to Adjusted EBITDA, Total cash cost per ounce of gold sold and Adjusted Net (loss) Earnings, which are non-IFRS measures. The Company provides these measures as additional information regarding the Company’s financial results and performance. Please refer to the Company’s Management Discussion & Analysis for Q3 of 2017 for definitions of these terms and a reconciliation of these measures to reported IFRS results.

About Scorpio Gold Corporation

Scorpio Gold holds a 70% interest in the Mineral Ridge gold mining operation located in Esmeralda County, Nevada with joint venture partner Elevon, LLC (30%). Mineral Ridge is a conventional open pit mining and heap leach operation. Mining at Mineral Ridge has recently been suspended; however, the Company continues to generate limited revenues from the residual but diminishing recoveries from the leach pads. Scorpio Gold also holds a 100% interest in the advanced exploration-stage Goldwedge property in Manhattan, Nevada with a fully permitted underground mine and 400 ton per day mill facility. The Goldwedge mill facility has been placed on a care and maintenance basis and can be restarted immediately when needed.

Scorpio Gold's Chairman, Peter J. Hawley, P.Geo., is a Qualified Person as defined in National Instrument 43-101 and has reviewed and approved the content of this release.

ON BEHALF OF THE BOARD SCORPIO GOLD CORPORATION

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The Company relies on litigation protection for "forward-looking" statements. This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate", and other similar words or statements that certain events or conditions "may" or "will" occur, and include, without limitation, statements regarding the Company's plans with respect to production at Mineral Ridge, its plan to finance the construction of a new processing facility, the exploration, development and exploitation of its Mineral Ridge project, including any forecasts regarding future production or costs related thereto and the exploration potential of the Mineral Ridge property. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements, including risks relating to the operation of a gold mine, including unanticipated changes in the mineral content of materials being processed from the leach pads; the suspension of mining at Mineral Ridge; unanticipated changes in recovery rates; the raising of financing to facilitate construction of a new processing facility at Mineral Ridge; changes in project parameters; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; availability of skilled labour and the impact of labour disputes; delays in obtaining governmental approvals; changes in metals prices; the availability of cash flows or financing to meet the Company's ongoing financial obligations; unanticipated changes in key management personnel; changes in general economic conditions; obtaining the required permits to expand and extend mining activities and other risks of the mining industry and those risk factors outlined in the Company's Management Discussion and Analysis as filed on SEDAR. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty thereof.

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