

Dalradian reports 2017 results with year-end cash of \$138 million

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TORONTO, March 19, 2018 (GLOBE NEWSWIRE) -- [Dalradian Resources Inc.](#) (TSX:DNA) (AIM:DALR) (‘Dalradian’ or the ‘Company’) announces results for the three months and year ended December 31, 2017, including closing cash and cash equivalents of \$138 million¹.

Patrick F.N. Anderson, Dalradian's President and CEO, commented: ‘Curraghinalt, one of the world’s best undeveloped gold projects, continues to move towards production. We are nearing completion of our infill drilling program and preparation of a resource update, which will then feed into an updated feasibility study later this year.

Our planning application to build a mine has been accepted by the government and is currently in the review and public consultation phase. There is a thorough permitting process in Northern Ireland and as part of that we expect a public inquiry to be called late in 2018. We welcome this opportunity to demonstrate to the public that we will build a safe and environmentally responsible mine that will bring jobs and investment to the local area.

Our expanded community relations team has stepped up engagement to build understanding and support for the project and our permitting team continues with preparation of additional materials to feed into the permitting process. Nearly 1,000 people have participated in our popular tunnel and site tours, which are open to the public, and we have had expressions of interest by more than 800 people in employment at our proposed mine.’

¹ All amounts are in Canadian dollars unless otherwise noted

Operational highlights as of March 15, 2018

- During Q4 2017, Dalradian completed work on its Environmental and Social Impact Assessment in support of a planning (permitting) application to build a mine at Curraghinalt. The Planning Application was submitted to the Department for Infrastructure of Northern Ireland on November 27, 2017.
- Drilling completed to date, including all 2017 drill holes, totals 29,670 m of infill drilling in 76 holes to support the planned conversion of ounces from the inferred to indicated mineral resource category and 14,557 m in 36 holes of step-out drilling, up to 450 m beyond the existing resource envelope, to support resource growth.
- In Q4 2017 and the period subsequent to year end, Dalradian reported on 20,843 m of drilling from the 40,000-metre drill program from a total of 23 step-out holes and 28 infill holes. Select results included:
 - Step-out: 0.74 m of 82.47 g/t gold from the V75 vein in hole 17-CT-456
 - Step-out: 1.85 m of 19.27 g/t gold from the Crow vein in hole 17-CT-440
 - Step-out: 1.98 m of 32.54 g/t gold from the 106-16 vein in hole 17-CT-427
 - Infill: 1.51 m of 41.04 g/t gold from the 106-16 vein in hole 17-CT-424
 - Infill: 2.61 m of 36.15 g/t gold from the No. 1 vein in hole 17-CT-454
 - Infill: 1.05 m of 53.64 g/t gold from the Mullan-S vein in hole 17-CT-470
- Over Q4 2017, regional exploration continued across the broader licence areas, with 6 prospecting samples, 1 stream sediment sample, 129 soil samples, and 794 deep overburden samples collected. During all of 2017, 210 prospecting samples, 260 stream sediment samples, 299 soil samples, and 2,481 deep overburden samples were collected.

Corporate and financial highlights of Q4 2017

- Cash and cash equivalents were \$138.0 million at December 31, 2017 compared with \$35.7 million at December 31, 2016. Cash and cash equivalents increased this period as a result of closing a private placement previously announced on October 10, 2017. Orion Mine Finance acquired 34,013,605 common shares of the Company and Osisko Gold Royalties acquired 19,217,687 common shares of the Company, each at a price of C\$1.47 per common share (the "Issue Price") for total gross proceeds of C\$78.25 million.
- Net loss of \$1.8 million (\$0.01 per share) for the three months ended December 31, 2017 compared with a net loss of \$3.0 million (\$0.01 per share) for the comparable period of 2016. For the 12 months ending December 31, 2017, the Company had a net loss of \$7.7 million (\$0.03 per share) compared to a net loss of \$7.8 million (\$0.03 per share) in the same period of 2016.
- Expenditures on mineral property under development for the three months ended December 31, 2017 were \$7.1 million compared with \$3.7 million during the comparable period in 2016. During Q4 2017, permitting and drilling were the largest spending categories as work focused on finalizing the Planning Application and completing infill and step-out drilling at Curraghinalt. In Q4 2016, much of the activity centered on studies for the feasibility study and the Underground Program.
- During the year ended December 31, 2017, expenditures on mineral property under development, net of \$5.4 million proceeds received from processing of mineralized material during Q1 2017, were \$19.5 million compared with \$23.3 million during the comparable period in 2016.
- As of March 15, 2018, Dalradian had 355,493,448 Common Shares issued and outstanding.

Outlook

Now that the Planning Application has been submitted, progressing to production at Curraghinalt is the Company's primary goal and will be advanced in 2018 through drilling, engineering and geological studies, and environmental and permitting activities. The Company expects to release a mineral resource update during Q2 2018, followed by an updated FS during Q3 2018.

The 2018 work program is expected to include up to 14,000 metres of step-out drilling at the Curraghinalt deposit, up to 10,000 m of regional drilling and continued exploration of the Company's large land package through sampling across the licence areas. Permitting activities will include preparation and submission of applications for ancillary permits and consents and expanded stakeholder relations activities to support the Planning Application.

The budget for 2018 is approximately \$49 million for all operational activities in Northern Ireland and Canada, including general and administrative costs. Drilling/Geology and Permitting/Community Relations will utilize 50% of the operational budget, with planned expenditures roughly similar for the two areas. Mine planning and engineering work to produce the FS update is the third-largest component at approximately 10% of the overall budget.

Working capital at December 31, 2017 was approximately \$132 million. This financial strength supports 2018 plans to continue exploration and other work to increase the value of Curraghinalt, while simultaneously moving the project through the permitting process.

Supporting Documents

The 2017 year-end Financial Statements (not including notes) can be found below. The full 2017 Management Discussion and Analysis and Financial Statements are available on www.dalradian.com and on www.sedar.com.

Consolidated Statement of Financial Position (Expressed in Canadian dollars)

	As at Dec. 31, 2017	As at Dec. 31, 2016
ASSETS		

Current assets:		
Cash and cash equivalents	\$ 137,963,176	\$ 35,719,242
Amounts receivable	651,345	666,166
Prepaid expenses and other assets	685,335	506,785
	139,299,856	36,892,193
Non-Current assets:		
Restoration deposit	1,057,930	1,032,135
Property, plant and equipment	166,346,572	118,988,157
Exploration and evaluation assets	4,600,521	3,943,077
	172,005,023	123,963,369
	\$ 311,304,879	\$ 160,855,562
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 7,139,710	\$ 4,908,196
Provision for reclamation	356,181	347,844
	7,495,891	5,256,040
Non-Current liabilities:		
Provision for reclamation	695,401	679,124
Shareholders' equity:		
Share capital	359,737,165	195,974,511
Warrants	47,760	10,745,550
Contributed surplus	15,146,358	12,314,675
Accumulated deficit	(71,817,696)	(64,114,338)
	303,113,587	154,920,398
	\$ 311,304,879	\$ 160,855,562

Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

Year ended Dec. 31, 2017	Year ended Dec. 31, 2016
Operating expenses:	
Salaries and related costs \$	3,119,915
Professional fees and consulting	1,145,288
Share-based payments	1,094,623
Investor relations and travel	1,061,043
Office, regulatory and general	762,423
Interest and bank charges	11,454
Depreciation	4,606
Foreign exchange loss	809,272
\$	\$ 8,008,624
Interest income	188,174
Loss and comprehensive loss for the year	(7,820,450)
Loss per share & loss; basic and diluted	(0.03)

Consolidated Statement of Shareholders' Equity
(Expressed in Canadian dollars)

	Year ended Dec. 31, 2017	Year ended Dec. 31, 2016
Share capital:		
Balance, beginning of year	\$ 195,974,511	\$ 162,680,450
Common shares issued	103,382,473	220,932
Warrants exercised	58,971,908	30,869,137
Share-based payments exercised	1,408,273	2,203,992
Balance, end of year	\$ 359,737,165	\$ 195,974,511
Warrants:		
Balance, beginning of year	\$ 10,745,550	\$ 15,019,060
Warrants exercised	(9,133,252)	(4,229,727)
Warrants expired	(1,564,538)	(43,783)
Balance, end of year	\$ 47,760	\$ 10,745,550
Contributed surplus:		
Balance, beginning of year	\$ 12,314,675	\$ 12,533,961
Increase from share-based payments	2,342,419	1,183,623
Warrants expired	1,564,538	43,783
Share-based payments exercised	(1,075,274)	(1,446,692)
Balance, end of year	\$ 15,146,358	\$ 12,314,675
Accumulated deficit:		
Balance, beginning of year	\$ (64,114,338)	\$ (56,293,888)
Loss and comprehensive loss for the year	(7,703,358)	(7,820,450)
Balance, end of year	\$ (71,817,696)	\$ (64,114,338)
Total shareholders' equity	\$ 303,113,587	\$ 154,920,398

Consolidated Statement of Cash Flows
(Expressed in Canadian dollars)

	Year ended Dec. 31, 2017	Year ended Dec. 31, 2016
Cash flows from (used in) operating activities:		
Loss and comprehensive loss for the year	\$ (7,703,358)	\$ (7,820,450)
Items not affecting cash:		
Unrealized foreign exchange loss on cash	108,517	1,164,808
Interest income	(485,957)	(188,174)
Depreciation	4,606	4,606
Share-based payments	2,038,951	1,094,623
Unrealized foreign exchange (gain) loss on restoration deposit	(25,795)	236,795
Change in non-cash operating working capital:		
Amounts receivable	135,826	188,603
Prepaid expenses and other assets	(172,297)	(14,663)
Accounts payable and accrued liabilities	(727,825)	1,529,526
Cash flows used in operating activities	\$ (6,827,332)	\$ (3,804,326)
Cash flows from financing activities:		
Net proceeds from common shares issued	\$ 77,824,069	\$ -
Exercise of warrants	49,838,656	26,639,410
Exercise of share options	332,999	757,300
Cash flows from financing activities	\$ 127,995,724	\$ 27,396,710
Cash flows from (used) in investing activities:		
Expenditures on exploration and evaluation assets..	\$ (521,794)	\$ (24,810,417)

Additions to property, plant and equipment	(17,726,240)	(5,410,717)
Minco acquisition transaction costs	(933,934)	-
Interest received	366,027	189,901
Cash flows used in investing activities	\$ (18,815,941)	\$ (30,031,233)
Net change in cash and cash equivalents	\$ 102,352,451	(6,438,849)
Cash and cash equivalents, beginning of year	35,719,242	43,322,899
Effect of exchange rate fluctuations on cash held	(108,517)	(1,164,808)
Cash and cash equivalents, end of year	\$ 137,963,176	\$ 35,719,242

About Dalradian Resources Inc.

[Dalradian Resources Inc.](#) is a mineral exploration and development company that is focused on advancing its high-grade Curraghinalt Gold Project located in Northern Ireland, United Kingdom. The Curraghinalt Project is in permitting, with exploration ongoing to build on the positive feasibility study released in January 2017.

For more information:

Marla Gale
 Vice President Communications
 +1 416 583 5600
 investor@dalradian.com

Grant Thornton UK LLP (Nominated Adviser)
 Philip Secrett / Richard Tonthat
 +44 (0)20 7383 5100

Numis Securities Limited (Broker)
 John Prior / James Black / Paul Gillam
 +44 (0)20 7260 1000

FORWARD LOOKING STATEMENTS

This press release contains "forward-looking information" which may include, but is not limited to, statements with respect to future financial or operating performance of the Company and its subsidiaries and its mineral project, the future price of metals, test work and confirming results from work performed to date, the estimation of mineral resources and mineral reserves, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, the timing and possible outcome of pending regulatory matters and the realization of the expected production, economics and mine life of the Curraghinalt gold deposit.

Often, but not always, forward-looking statements can be identified by the use of words and phrases such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "believes" or variations (including negative 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 statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions, such as continued political stability in Northern Ireland, that permits required for Dalradian's operations will be obtained in a timely basis in order to permit Dalradian to proceed on schedule with its planned exploration and mine development, construction and production programs, that skilled personnel and contractors will be available as Dalradian's

operations commence and continue to grow towards production and mining operations, that the price of gold will be at levels that render the Dalradian's mineral project economic, that the Company will be able to continue raising the necessary capital to finance its operations and realize on mineral resource and mineral reserve estimates and current mine plans, that the assumptions contained in the Company's Technical Report dated January 25, 2017 are accurate and complete and that a permitting application for mine construction will be approved .

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Dalradian to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current and future exploration activities; the actual results of reclamation activities; conclusions of economic evaluations; meeting various expected cost estimates; changes in project parameters and/or economic assessments as plans continue to be refined; future prices of metals; possible variations of mineral grade or recovery rates; the risk that actual costs may exceed estimated costs; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2017 dated March 15, 2018.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this press release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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