

Roxgold Reports Solid Performance in Second Quarter 2018; Record Throughput with Stoping Operations Commencing at Bagassi South

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TORONTO, Aug. 13, 2019 - [Roxgold Inc.](#) ("Roxgold" or the "Company") (TSX: ROXG) (OTCQX: ROGFF) today reported second quarter and first half financial results for the period ended June 30, 2019.

For complete details of the unaudited Condensed Interim Consolidated Financial Statements and associated Interim Management Discussion and Analysis please refer to the Company's filings on SEDAR (www.sedar.com) or the Company's website (www.roxgold.com). All amounts are in U.S. dollars unless otherwise indicated.

1. HIGHLIGHTS

During the three and six-month period ended June 30, 2019 the Company:

Safety

- Continued a strong safety record with no lost time injuries recorded in Q2 2019 with a 12-month rolling lost time injury frequency rate ("LTIFR") of 0.39 per one million hours worked;

Operations

- Sold 33,102 ounces of gold¹ for a total of \$42.9 million in gold sales¹ (35,320 ounces and \$45.8 million respectively YTD Q2 2018) and sold 65,900 ounces of gold¹ for a total of \$85.8 million in gold sales¹ YTD 2019 (75,370 ounces and \$85.8 million respectively YTD Q2 2018);
- Cash operating cost² of \$518 per ounce produced and all-in sustaining cost² of \$836 per ounce sold and \$493 per ounce produced and \$806 per ounce sold for the three and six-month periods ended June 30, 2019;
- Operating costs² of \$156 per tonne processed were 22% lower than Q2 2018 as a result of increased throughput and improved efficiencies;
- Mined 109,840 tonnes and achieved record quarterly throughput of 113,866 tonnes which exceeded increased nameplate capacity of 1,100 tonnes per day by approximately 14%;

Financial

- Achieved an adjusted EBITDA² of \$15.7 million at a margin² of 37% in Q2 2019 increasing adjusted EBITDA to \$18.5 million at a margin of 41% for YTD 2019;
- Generated cash flow from mining operations² totalling \$21.8 million for cash flow from mining operations per share of C\$0.08/share;
- Adjusted net income² of \$0.7 million in Q2 2019 and six-month period ended June 30, 2019 of \$4.8 million;

Growth

- Continued ramp up of production from Bagassi South with first production stopes established in Q2 2019 with commercial production expected to be achieved by the end of August 2019;
- Completion of the Séguéla gold project acquisition from Newcrest Mining in April 2019;
- Maiden Séguéla Gold Project ("Séguéla") Indicated Mineral Resource estimate prepared in accordance with NI 43-101 of 496,000 ounces at 2.4 g/t Au and an Inferred Mineral Resource Estimate of 34,000 ounces at 2.4g/t Au for the Antenna deposit;
- Additional infill and extension drilling at Antenna subsequent to the completion of the maiden Mineral Resource Estimate anticipated to add to the resource while results from Boulder highlight the potential of the satellite prospects.

"The first half of 2019 saw a solid operating performance at Yaramoko and we continue to remain on track to achieve our annual production guidance. The processing plant continued to outperform achieving record throughput and operating approximately 14% above nameplate capacity during the second quarter. This enabled us to maintain a cash operating margin of \$724 per ounce delivering strong cashflow from mining operations of \$21.8 million. Stopping operations at Bagassi South commenced during the quarter positioning production from Yaramoko to be stronger during the second half of 2019," said John Dorward, President and CEO. "We are continuing our exploration activities at Yaramoko as well as advancing the progression of the Séguéla gold project, our second development project, where we expect to deliver a Preliminary Economic Assessment with an upgraded resource estimate in the fourth quarter of this year."

2. 2019 OUTLOOK

- Gold production between 145,000 and 155,000 ounces;
- Cash operating cost² between \$440 and \$470/ounce;
- All-in sustaining cost² between \$765 and \$795/ounce;
- Exploration budget of \$10-\$12 million;
- Bagassi South pre-commercial production development spend of \$12-\$15 million.

In 2019, Yaramoko is expected to produce a stronger second half due to the Bagassi South mine commencing stoping during Q2 2019.

3. MINE OPERATING ACTIVITIES

	Three months ended June 30 2019	Three months ended June 30 2018	Six months ended June 30 2019	Six months ended June 30 2018
Operating Data				
Ore mined (tonnes)	109,840	86,831	207,980	175,438
Ore processed (tonnes)	113,866	75,417	220,682	146,993
Head grade (g/t)	9.0	14.4	9.5	15.6
Recovery (%)	98.2	98.8	98.3	98.8
Gold ounces produced	34,354	35,828	68,006	76,280
Gold ounces sold ¹	33,102	35,320	65,900	75,370
Financial Data (in thousands of dollars)				
Gold sales ¹	42,949	45,787	85,789	99,013
Mine operating expenses ³	(17,285)	(14,989)	(32,722)	(30,377)
Government royalties ³	(1,904)	(2,058)	(3,880)	(4,720)
Depreciation and depletion ³	(11,835)	(8,357)	(23,778)	(18,207)
Statistics (in dollars)				
Average realized selling price (per ounce)	1,304	1,296	1,305	1,313
Cash operating cost (per tonne processed) ²	156	201	152	208
Cash operating cost (per ounce produced) ²	518	424	493	401
Total cash cost (per ounce sold) ²	580	483	554	466
Sustaining capital cost (per ounce sold) ²	206	190	193	176
Site all-in sustaining cost (per ounce sold) ²	785	672	749	642
All-in sustaining cost (per ounce sold) ²	836	718	806	686

A. Health and safety performance

There were no Lost Time Injury ("LTI") incidents in the first half of 2019 and a 12-month rolling LTIFR of 0.39 per one million hours worked.

B. Operational performance

The Company's gold production in Q2 2019 was 34,354 ounces at a head grade of 9.0 g/t compared to

35,828 ounces at 14.4 g/t in Q2 2018. The decrease in gold production was mainly driven by a lower head grade partially offset by higher tonnes processed in Q2 2019 due to the completion and successful commissioning of the plant expansion project. The lower average head grade was primarily due to the ramp-up of the Bagassi South underground mine which delivered lower grade development ore during the quarter.

During the second quarter, 55 Zone mined 83,829 tonnes of ore at 9.3 g/t and completed 1,509 metres of development compared to 86,831 tonnes of ore and 1,124 metres of development in Q2 2018. During the second quarter, approximately 76% of ore mined came from stoping activities with five open stopes available at the end of the quarter compared to 80% of ore from stoping and four open stopes in Q2 2018.

Decline development at 55 Zone reached the 4862 level, approximately 460 metres below surface. Ore development was completed between 4896 and 4862 levels. The mine continues to be well positioned to meet future production requirements with developed reserves for stoping in line with the Company's planned stoping objectives.

At Bagassi South, ramp-up activities continued to progress with 26,011 tonnes of ore mined during the quarter and 1,417 metres of development completed. It is anticipated that Bagassi South will achieve commercial production at the end of August 2019.

During the six-month period ended June 30, 2019, 207,980 tonnes of ore at 9.3 g/t were mined compared to 175,438 tonnes of ore at 14.0 g/t in comparable period in the prior year. The 55 Zone mine produced 169,289 tonnes at 10.0 g/t and the Bagassi South mine contributed 38,691 tonnes of development ore at 6.3 g/t for YTD 2019.

The plant processed a record 113,866 tonnes at an average head grade of 9.0 g/t in Q2 2019 compared to 75,417 tonnes of ore at 14.4 g/t in Q2 2018. The increase of 51% is due to the completion and successful commissioning of the plant expansion project and represents a unit throughput rate which is 14% above nameplate capacity. Plant availability was 97.6% and overall recovery was 98.2% in Q2 2019 compared to 95.7% and 98.8% respectively for the comparative quarter.

Cash operating costs² of \$156 per tonne processed represented a 22% reduction compared to Q2 2018 driven by increased throughput and strong cost control at Yaramoko Gold Mine.

C. Financial Performance

i) Second quarter of 2019 vs second quarter of 2018

During the second quarter of 2019, a total of 33,102 ounces of gold¹ were sold resulting in revenue from gold sales¹ totaling \$42.9 million. During this period, the Company's average realized gold price was \$1,304 per ounce sold compared to an average realised gold price of \$1,296 per ounce in Q2 2018.

Cash operating cost² per tonne processed reduced by 22% from \$201 in Q2 2018 to \$156 in Q2 2019 due to increased throughput. The cash operating cost² per ounce produced totalled \$518 per ounce for the period compared to \$424 per ounce in the prior year mainly driven by the lower head grade.

The total cash cost² per ounce sold of \$580 in Q2 2019 was higher compared to \$483 per ounce sold in Q2 2018. As a result, the Company achieved a site all-in sustaining cost² of \$785 per ounce sold and an all-in sustaining cost² of \$836 per ounce sold in Q2 2019 compared to \$672 per ounce and \$718 per ounce sold, respectively in Q2 2018.

The Company generated a cash mine operating margin² of \$724 which was 11% lower than Q2 2018 mainly due to the lower head grade.

The Company invested \$6.8 million in underground mine development at the 55 Zone mine during the

second quarter of 2019 compared to \$6.7 million for the comparable period in 2018. Additionally, the Company invested \$6.7 million in pre-commercial production underground mine development at the Bagassi South mine.

The Company generated cash flow from mining operations² of \$21.8 million in Q2 2019, for cash flow from mining operations per share² of \$0.06 (C\$0.08/share). In the comparative period, the Company generated cash flow from mining operations² of \$25.7 million and \$0.07 (C\$0.09/share) cash flow from mining operations per share².

ii) First six months of 2019 vs first six months of 2018

The Company sold 65,900 ounces of gold¹ resulting in revenue from gold sales¹ totalling \$85.8 million compared to 75,370 ounces of gold sold and gold revenue of \$99.0 million. During this period, the Company's average realized gold price was \$1,305 per ounce sold compared to an average realised gold price of \$1,313 per ounce in Q2 2018.

During the six-month period ended June 30, 2019, the cash operating cost² per tonne processed was \$152 per tonne, which is 27% lower than \$208 per tonne achieved during the comparable period in 2018. The cash operating cost² per ounce produced totalled \$493 per ounce for the period compared to \$401 per ounce in the prior year mainly driven by the lower head grade.

The total cash cost² per ounce sold of \$554 in six-month ended period ended June 30, 2019 was higher compared to \$466 per ounce sold in the same period in 2018. As a result, the Company achieved a site all-in sustaining cost² of \$749 per ounce sold and an all-in sustaining cost² of \$806 per ounce sold for YTD 2019 compared to \$642 per ounce and \$686 per ounce sold, respectively in the same period in 2018.

The Company has invested \$12.7 million in underground development at 55 Zone for the six-month period compared to \$13.3 million for the comparable period in 2018. Additionally, the Company has invested \$12.0 million in pre-commercial production underground mine development at the Bagassi South mine.

4. EVENTS SUBSEQUENT TO JUNE 30, 2019

On July 11, 2019, the Company announced an updated Mineral Reserves and Mineral Resources Statement for the Yaramoko Gold Mine and included a maiden NI 43-101 Mineral Resources statement for Séguéla Gold Project. For more information on the Company's updated Mineral Resource statement, please refer to the Company's press release dated July 11, 2019.

5. REVIEW OF Q2 2019 FINANCIAL RESULTS⁴

A. Mine operating profit

During the quarter ended June 30, 2019, revenues totalled \$39.7 million (2018 - \$45.8 million) while mine operating expenses and royalties totalled \$14.8 million (2018 - \$15.0 million) and \$1.8 million (2018 - \$2.0 million), respectively. The decrease in revenue is due to lower production and pre-production revenue of \$3.3 million from Bagassi South offset against mineral properties under development in PP&E. During the quarter, the Company achieved total cash cost² per ounce sold of \$580 and a mine operating margin² of \$724 per ounce sold.

During the six-month period ended June 30, 2019, revenues totalled \$79.5 million (2018 - \$99.0 million) while mine operating expenses and royalties totalled \$28.4 million (2018 - \$30.4 million) and \$3.6 million (2018 - \$4.7 million), respectively. The decrease in revenue is primarily due to the decrease in production of 11% and pre-production revenue of \$6.3 million from Bagassi South offset against mineral properties under development in PP&E. During the six-month ended June 30, 2019, the Company achieved total cash cost² per ounce sold of \$554 and a mine operating margin² of \$752 per ounce sold.

For more information on the cash operating costs² see the financial performance section in the Company's

Q2 2019 MD&A.

Depreciation totalled \$11.6 million and \$23.4 million for the three and six-month period ended June 30, 2019, respectively compared to \$8.1 million and \$17.8 million in the corresponding period in prior year. The increase in depreciation is a result of the Company's continued investment in the underground development combined with higher throughput.

B. General and administrative expenses

General and administrative expenses totalled \$1.2 million and \$2.6 million for the three and six-month ended June 30, 2019, respectively compared to \$1.2 million and \$2.6 million for the corresponding period in the prior year.

C. Sustainability and other in-country costs

Sustainability and in-country costs totalled \$0.5 million and \$1.1 million for the three and six-month ended June 30, 2019, respectively compared to \$0.4 million and \$0.8 million for the corresponding period in prior year. The increase in expenditures correspond to the increased community projects associated with the Bagassi South project.

D. Exploration and evaluation expenses ("E&E")

Exploration and evaluation expenses totalled \$4.1 million and \$7.3 million for the three and six-month ended June 30, 2019, respectively compared to \$3.7 million and \$7.4 million in the corresponding period in prior year. The increase in the quarter was primarily related to drilling and study costs at Antenna totalling \$0.5 million.

Drilling costs totalling \$2.2 million for YTD 2019 relating to converting resources to reserves or to extend the existing resource body have been capitalized in accordance with the Company's accounting policy as future economic benefits are expected.

For more information on the Company's exploration program see the Exploration Activities section in the Company's Q2 2019 MD&A.

E. Share-based payment

Share-based payments totalled \$0.7 million and \$1.1 million for the three and six-month ended June 30, 2019, respectively compared to \$1.0 million and \$1.3 million in the corresponding period in prior year. The decrease is mainly due to timing of the deferred share unit ("DSU") grants.

F. Financial income (expenses)

Net financial expense totalled \$5.5 million and \$9.0 million for the three and six-month ended June 30, 2019, respectively compared to net financial expense of \$0.1 million and \$1.8 million in the corresponding period in prior year. The increase is mainly attributed to the change in fair value of the Company's gold forward sales contracts (unfavourable impact of \$5.9 million).

G. Current and deferred income tax expense

All past cumulative losses were fully utilized in 2018 which resulted in the recognition of current income tax expense commencing in Q1 2019. The deferred income tax expense is due to the recognition of the deferred income tax liability as the Company is earning profits from its operations in Burkina Faso.

H. Net income & EBITDA

The Company had a net loss of \$3.0 million for the three-month period ended June 30, 2019 and a net loss of \$1.0 million for the six-month period ended June 30, 2019 compared to net income of \$10.8 million and \$24.8 million in the comparable period in prior year.

The lower earnings were primarily due to lower gold sales, an unfavourable change in fair value of the financial derivatives, higher depreciation, and increased exploration expenditure.

The Company's earnings before interest, taxes, depreciation and amortization ("EBITDA")² for the three and six-month period ended June 30, 2019 was \$12.0 million and \$28.1 million, respectively compared to \$23.2 million and \$52.0 million in the comparable period in prior year.

I. Income Attributable to Non-Controlling Interest

For the three and six-month periods ended June 30, 2019, the income attributable to the non-controlling ("NCI") interest was \$0.5 million and \$1.5 million, respectively. This represents the 10% carried interest in Roxgold SANU SA held by the Government of Burkina Faso. The NCI attributable income is based on IFRS accounting principles and does not reflect dividend payable to the minority shareholder of the operating legal entity in Burkina Faso.

6. CONFERENCE CALL AND WEBCAST INFORMATION

A webcast and conference call to discuss these results will be held on Wednesday, August 14, 2019, at 11:00AM Eastern time. Listeners may access a live webcast of the conference call from the events section of the Company's website at www.roxgold.com or by dialing toll free 1-888-231-8191 within North America or +1-647-427-7450 from international locations.

An online archive of the webcast will be available by accessing the Company's website at www.roxgold.com. A telephone replay will be available for two weeks after the call by dialing toll free 1-855-859-2056 and entering passcode 9747108.

Notes:

- ¹ For the three and six-month period ended June 30, 2019, gold ounces sold, and gold sales include pre-commercial production ounces sold of 2,485 ounces and 4,790 ounces respectively, and revenues of \$3.3 million and \$6.3 million respectively. The pre-commercial production gold sales and mine operating expenses were accounted against Property, Plant and Equipment.
- ² The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results. Please refer to note 16 "Non-IFRS financial performance measures" of the Company's MD&A dated August 13, 2019, available on the Company's website at www.roxgold.com or on SEDAR at www.sedar.com for reconciliation of these measures.
- ³ For the three and six-month period ended June 30, 2019, mine operating profit includes capitalized pre-commercial production costs of \$2.5 million mine operating expenses, \$0.1 million royalty costs and \$0.2 million depreciation related to the 2,485 ounces sold, \$4.4 million mine operating expenses, \$0.3 million royalty costs and \$0.3 million depreciation related to the 4,790 ounces sold, respectively.
- ⁴ In accordance with the transition provision in IFRS 16, Leases, the comparatives for the 2018 reporting period have not been restated.

Paul Criddle, FAusIMM, Chief Development Officer for Roxgold Inc., a Qualified Person within the meaning of National Instrument 43-101, has reviewed, verified and approved the technical disclosure contained in this news release.

Paul Weedon, MAIG, Vice-President, Exploration for Roxgold Inc., a Qualified Person within the meaning of

National Instrument 43-101, has verified and approved the technical disclosure contained in this news release. This includes the QA/QC, sampling, analytical and test data underlying this information. For more information on the Company's QA/QC and sampling procedures, please refer to the Company's Annual Information Form dated December 31, 2018, available on the Company's website at www.roxgold.com and on SEDAR at www.sedar.com.

For further information regarding the Yaramoko Gold Mine, please refer to the technical report dated December

20, 2017, and entitled "Technical Report for the Yaramoko Gold Mine, Burkina Faso" (the "Yaramoko Technical Report") and the technical report prepared for the Séguéla Gold Project entitled "NI 43-101 Technical Report, Séguéla Project, Worodougou Region, Cote d'Ivoire" dated July 23, 2019 (the "Séguéla Technical Report") and together with the Yaramoko Technical Report, the "Technical Reports" available on the Company's website at www.roxgold.com and on SEDAR at www.sedar.com.

About Roxgold

Roxgold is a Canadian-based gold mining company with assets located in West Africa. The Company owns and operates the high-grade Yaramoko Gold Mine located on the Houndé greenstone belt in Burkina Faso and is also advancing the development and exploration of the Séguéla Gold Project located in Côte d'Ivoire. Roxgold trades on the TSX under the symbol ROXG and as ROGFF on OTCQX.

This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws ("forward-looking statements"). Such forward-looking statements include, without limitation: statements with respect to Mineral Reserves and Mineral Resource estimates (including proposals for the potential growth, extension and/or upgrade thereof and any future economic benefits which may be derived therefrom), future production and life of mine estimates, production and cost guidance, anticipated recovery grades, and potential increases in throughput, the anticipated increased proportion of mill feed coming from stoping ore, future capital and operating costs and expansion and development plans including with respect to the 55 zone and Bagassi South, and the expected timing thereof (including with respect to the delivery of ore and future stoping operations), proposed exploration plans and the timing and costs thereof, the anticipated operations, costs, proposed funding, timing and other factors set forth in the Technical Report, and sufficiency of future funding. These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Forward-looking information contained in this news release is based on certain factors and assumptions regarding, among other things, the estimation of Mineral Resources and Mineral Reserves, the realization of resource estimates and reserve estimates, gold metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials to continue to explore and develop the Yaramoko Gold Project and other properties including the Séguéla Gold Project in the short and long-term, the progress of exploration and development activities as currently proposed and anticipated, the receipt of necessary regulatory approvals and permits, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters, as well as assumptions set forth in the Company's technical report dated December 20, 2017, and entitled "Technical Report for the Yaramoko Gold Mine, Burkina Faso" (the "Yaramoko Technical Report") and the technical report prepared for the Séguéla Gold Project entitled "NI 43-101 Technical Report, Séguéla Project, Worodougou Region, Cote d'Ivoire" dated July 23, 2019 (the "Séguéla Technical Report" and together with the Yaramoko Technical Report, the "Technical Reports" available on the Company's website at www.roxgold.com and SEDAR at www.sedar.com. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include: changes in market conditions, unsuccessful exploration results, possibility of project cost overruns or unanticipated costs and expenses, changes in the costs and timing of the development of new deposits, inaccurate reserve and resource estimates, changes in the price of gold, unanticipated changes in key management personnel, failure to obtain permits as anticipated or at all, failure of exploration and/or development activities to progress as currently anticipated or at all, and general economic conditions. Mining exploration and development is an inherently risky business. Accordingly, actual events may differ materially from those

projected in the forward-looking statements. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

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