

# Leagold Reports Q3 2019 Results, Including AISC Margin of \$32.1M and EBITDA of \$35.6M

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(All amounts in US dollars, unless otherwise indicated)

Highlights include:

- Gold production of 84,229 ounces for Q3; 281,463 ounces for the nine months;
- AISC<sup>1</sup> of \$1,042 per ounce of gold sold for Q3; \$978 for the nine months;
- EBITDA<sup>1</sup> of \$35.6 million for Q3 and \$102.8 million for the nine months; and
- Cash balance of \$55.9 million at September 30

VANCOUVER, Nov. 5, 2019 - [Leagold Mining Corp.](#) (TSX:LMC; OTCQX:LMCNF) ("Leagold" or the "Company") report financial and operating results, with consolidated gold production for the three months ended September 30, 2019 of 84,229 ounces (oz), resulting in an all-in sustaining cost (AISC) margin of \$32.1 million (M). Q3 2019 gold sales of 85,451 oz generated revenue of \$121.7M, earnings from mine operations of \$22.4M, and EBITDA of \$35.6M.

Table 1: Highlights for 2019 by Quarter and Nine Months to September 30, 2019

Mining Physicals	Three months ended Sept 30, 2019	Three months ended Jun 30, 2019	Three months ended Mar 31, 2019	Nine months ended Sept 30, 2019
Gold production (oz)	84,229	91,285	105,949	281,463
Gold sales (oz)	85,451	94,178	107,546	287,175
Average realized gold price (\$/oz sold)	1,417	1,272	1,280	1,318
Total revenue (\$M)	121.7	120.2	138.1	380.0
Earnings from mine operations (\$M)	22.4	18.6	25.6	66.6
EBITDA* (\$M)	35.6	28.9	38.3	102.8
Adjusted EBITDA* (\$M)	34.7	32.8	41.5	109.0
Net income before taxes (\$M)	7.5	1.3	11.8	20.6
Net (loss) earnings** (\$M)	(3.1)	(70.2)	3.2	(70.1)
All-in sustaining costs (AISC)* (\$/oz sold)	1,042	978	927	978
AISC margin* (\$M)	32.1	27.9	37.9	97.9
Cash balance, end of period (\$M)	55.9	52.8	65.2	55.9

\* The terms cash costs, AISC, AISC margin, EBITDA, adjusted EBITDA and sustaining are non-GAAP financial performance measures with no standard meaning under IFRS.

\*\* Refer to the Company's Q3 Management's Discussion and Analysis, Financial Results section (page 18), available on the Company's website at [www.leagold.com](http://www.leagold.com) and SEDAR, for discussion of a \$63.5M provision related to deferred income taxes.

<sup>1</sup> AISC, AISC margin and EBITDA are non-IFRS financial performance measures with no standard meaning under IFRS. AISC includes cash costs, royalties, land access and community payments, and sustaining capital.

Leagold CEO Neil Woodyer commented: "Los Filos is on track to produce approximately 200,000 oz of gold in 2019 at AISC of about \$950 per oz of gold sold, in line with guidance. We have started the expansion at Los Filos which is expected to double its production during 2021. The start of the expansion is going well, with the access road to Guadalupe complete and initial stripping underway, and we have launched several new exploration programs to continue to extend and improve mine life. In Brazil, Fazenda is performing well, while RDM suffered from a temporary suspension of milling operations, and Pilar has not yet met its objectives."

Table 2: Production and Costs for the Three and Nine Months Ended Sept 30, 2019 and 2018

	Three months ended		Nine months ended	
	Sept 30, 2019	Sept 30, 2018	Sept 30, 2019	Sept 30, 2018*
Gold production (oz)	84,229	93,269	281,463	208,789
Gold sales (oz)	85,451	91,733	287,175	210,049
Financial results (\$000s)				
Gold revenue	121,104	110,674	378,560	265,232
Cash costs*				
Mining &ndash; open pit	16,691	13,577	53,367	36,235
Mining &ndash; underground	25,612	27,129	77,884	54,987
Processing	32,545	35,732	101,165	77,751
Site G&A	10,809	9,155	33,122	22,661
Change in inventory	(9,253)	(11,531)	(23,142)	(18,118)
Other	769	1,101	3,316	2,013
Total cash costs*	77,173	75,163	245,712	175,529
Land access and other	4,298	3,915	12,592	11,311
Royalties	1,518	1,638	4,489	3,003
Sustaining capital*	6,062	5,796	16,022	11,931
Sustaining capital &ndash; stripping* -		2,111	1,809	3,863
Total AISC*	89,051	88,623	280,624	205,637
AISC margin*	32,053	22,051	97,936	59,595
Cash costs* (\$/oz sold)	903	819	856	836
AISC* (\$/oz sold)	1,042	966	978	979

\* The terms cash costs, AISC, AISC margin, EBITDA, adjusted EBITDA and sustaining are non-GAAP financial performance measures with no standard meaning under IFRS.

Table 3: Mine by Mine Production, Sales and AISC for Q3 2019

	Los Filos	Fazenda	RDM	Pilar	Total
Gold production (oz)	40,922	18,731	15,286	9,290	84,229
Gold sales (oz)	41,343	18,731	15,751	9,626	85,451
AISC* (\$/oz sold)	1,001	971	1,153	1,174	1,042

\* The terms cash costs, AISC, AISC margin, EBITDA, adjusted EBITDA and sustaining are non-GAAP financial performance measures with no standard meaning under IFRS.

At the Los Filos mine complex in Mexico, Q3 production and sales totalled 40,922 oz and 41,343 oz respectively, with associated revenue of \$58.6M. For the nine months ended September 30, 2019, production totalled 149,846 oz at AISC of \$888 per oz sold.

Production was impacted by lower recoveries on a portion of the underground ore. Management has taken corrective actions, including acquiring additional portable crushing equipment to achieve a finer crush on this material. In addition, management continues to focus on heap leach pad improvements, including the ongoing program of lime addition and solution control, which maintains pH levels, reduces cyanide consumption, and improves recoveries. The separate stacking of high-grade underground ore also continues, which will maximize gold extraction and reduce lag time.

The Los Filos expansion project is under way and on schedule. The access road for the start of mining of the Guadalupe section of the Bermejil open pit was completed in Q3. Bermejil underground development was also advanced in Q3 with preparation work for additional ventilation, including two principal raisebores located near the end of the current 1,300-metre access ramp. In addition, the project team advanced the contract tender process for the initial three years of underground development. The CIL plant project progressed with geotechnical drilling and further engineering optimization work.

Also during Q3, Leagold commenced a multi-phase exploration program on the southern portion of the Bermejil intrusive. The program spans the next several years, and will test known targets and develop new targets along the prospective area of the skarn intrusive contact. In addition, Leagold reported drilling results from the Los Filos underground and the Guadalupe open pit in Q3. These drill programs are designed to add to resources and reserves and have the potential to reduce the Guadalupe open pit strip ratio.

At the Fazenda mine in Brazil, Q3 production totalled 18,731 oz, 6% higher than Q2 due to an increase in underground ore tonnes mined, partially offset by a decrease in average grade processed. Gold sales at Fazenda were 18,731 oz in Q3, with associated revenue of \$26.6M and AISC of \$971 per oz sold. During Q3, mill throughput was optimized by complementing the underground ore feed with open pit and stockpile ore.

At the RDM mine in Brazil, gold production in Q3 was 15,286 oz with associated revenue of \$22.3M and AISC of \$1,153 per oz sold. Higher grades and improved contractor mining performance, combined with stable power from the local grid, generated strong results for Q3. However, in mid-September milling operations were suspended for four weeks following a notice from the regional environmental agency. The notice prohibited the placement of tailings in the tailings storage facility as the downstream construction method being used was not in compliance with the 2015 operating licence. Milling operations have resumed while an amendment to the operating license is being prepared. The suspension contributed to a production shortfall in Q3 compared with Q2.

At the Pilar mine in Brazil, Q3 production of 9,290 oz was 17% lower than Q2 due to the impact of dilution in the underground mine resulting in lower grades, partially offset by an increase in tonnes hauled. Plant throughput continued to be supplemented with low-grade stockpiles which brought down the average processing grade. Gold sales were 9,626 oz in Q3, with associated revenue of \$13.6M and AISC of \$1,174 per oz sold.

#### Outlook

With year to date production for the nine months ending September 2019 of 281,463 oz gold at AISC of \$978 per oz, and with a planned increase in Q4 production over Q3, Leagold anticipates meeting the low end of full year 2019 production guidance of 380,000 to 420,000 oz.

At the Los Filos mine complex in Mexico, production for the nine months ended September 30, 2019 was 149,846 oz at AISC of \$888 per oz sold, on track to meet the lower end of production guidance of 200,000 oz and the mid-point of AISC guidance of \$950 per oz. In addition, the Fazenda mine is on track to exceed its production guidance range while RDM and Pilar are expected to be below their respective guidance ranges for gold production, due in part to the four-week milling suspension at RDM.

#### Financial Results

During Q3 Leagold reported total revenue of \$121.7M, earnings from mine operations of \$22.4M, and a net loss of \$3.1M, as detailed in Table 4.

Table 4: Financial Results for the Three Months Ended Sept 30, 2019 and 2018

\$000s	Three months ended	
	Sept 30, 2019	Sept 30, 2018
Total revenue	121,682	111,259
Operating expenses	81,158	75,185
Depreciation and depletion	16,583	14,827
Royalties	1,518	1,639
Earnings from mine operations	22,423	19,608
Share-based payments	538	(157)
Acquisition and restructuring costs	-	271
General and administration costs	3,513	3,749
Other expenses (income)	2,175	(353)
Foreign exchange (gain) loss	(2,779)	961
Interest expense on loan facilities	4,938	5,516
Finance and accretion expense (income)	6,520	(4,761)
Earnings before taxes	7,518	14,382
Current income tax expense	2,091	2,136
Deferred income tax expense (recovery)	8,493	(2,686)
Net (loss) earnings	(3,066)	14,932
Basic and diluted (loss) earnings per share	(0.01)	0.05
Basic and diluted earnings before taxes per share	0.03	0.05

### Supporting Documents

Leagold's Q3 2019 financial statements and related MD&A are available on SEDAR and in the Investor Relations section of Leagold's website here.

### Conference Call

A conference call and live webcast will be held on Wednesday, November 6, at 8am PST/11am EST. Participants may dial in using the numbers below (no access code is needed).

Toll free Canada/US: 1-800-319-4610  
International: +1-604-638-5340

The live webcast can be accessed through the following link:

<http://services.choruscall.ca/links/leagold20191106.html>

The conference call will be available for playback until December 6, 2019 by dialling 1-800-319-6413 (toll free Canada/US) or +1-604-638-9010 (international), quoting access code 3712. The webcast playback will be available on Leagold's website here.

#### About Leagold Mining Corporation

Leagold is a mid-tier gold producer with a focus on opportunities in Latin America. Leagold is based in Vancouver, Canada and owns four operating gold mines in Mexico and Brazil, along with a near-term gold mine restart project in Brazil and an expansion project at the Los Filos mine complex in Mexico. Leagold is listed on the TSX under the trading symbol "LMC" and trades on the OTCQX market as "LMCNF".

#### Cautionary Note Regarding Forward Looking Statements

This news release contains "forward looking information" or "forward looking statements" within the meaning of applicable securities legislation. All statements other than statements of historical fact, included herein, including without limitation, statements related to the potential benefits to be derived from drill programs, expected improvements in recoveries at Fazenda, and Leagold's outlook for Q4 2019. The material factors or assumptions used to develop forward looking information or statements are disclosed throughout this document.

Forward looking information and forward looking statements, while based on management's best estimates and assumptions, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Leagold to be materially different from those expressed or implied by such forward-looking information or forward looking statements, including but not limited to: fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables and other risks of the mining industry as well as those factors discussed in the section entitled "Description of the Business & Risk Factors" in Leagold's most recent AIF available on SEDAR at [www.sedar.com](http://www.sedar.com).

Although Leagold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information or statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements. The Company has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking information and forward-looking statements and to the validity of the information, in the period the changes occur. The forward-looking statements and forward-looking information are made as of the date hereof and Leagold disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or forward-looking information contained herein to reflect future results. Accordingly, readers should not place undue reliance on forward-looking statements and information.

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