

Orvana Minerals Corp. Reports Unaudited Second Quarter Results for 2020

13.05.2020 | [CNW](#)

- Consolidated production of 14,843 gold equivalent ounces (12,139 gold ounces, 1.4 million copper pounds and 38,053 silver ounces).
- Revenue of \$21 million.
- EBITDA of \$1.7 million.
- Cash balance of \$6.3 million as at March 31, 2020.
- Consolidated Cash Operating Costs ("COC") and All in Sustaining Costs ("AISC") of \$1,363 and \$1,765 respectively, impacted by the temporary care and maintenance at EMIPA and the capitalization of leased equipment according to IFRS 16.

TORONTO, May 12, 2020 - [Orvana Minerals Corp.](#) (TSX:ORV) (the "Company" or "Orvana") announced today financial and operational results for the second quarter of fiscal 2020 ("Q2 2020"). The Company is also providing updates on the following financing matters:

- Received BISA Bank approval for a facility of Bs.54,288,000 (\$7.8 million) to partially finance the oxides stockpile project (OSP) development. The administrative process to close the transaction is in progress.
- Closed a short-term financing facility of Bs.20,880,000 (\$3.0 million) with BISA Bank, the proceeds of which were used for the EMIPA restructuring process.
- \$7.7 million VAT reimbursement from the Bolivian Government expected in 2020, related to 2018 and 2019 periods, subject to favorable completion of the audit in progress by the Bolivian Tax Authority.
- Obtained in April three Spanish Government guaranteed loans with two banks, for a total amount of \$36.3 million, at interest rates between 1.5% and 1.6%, with terms between 12 and 36 months.

Juan Gavidia, CEO of Orvana Minerals stated: "Despite the challenging circumstances caused by COVID-19, we have been able to continue mining operations at OroValle and to secure key funding for the OSP development in Bolivia. We have continued to maintain heightened Health and Safety Protocols at our operations in order to protect our staff, their families and all community stakeholders", and also added "Our key targets for the second half of fiscal 2020 are to move forward next steps of the Oxides Stockpile Project at Don Mario, and at El Valle to complete our intensive exploration program for the year at the same time that we increase production and reduce unitary costs".

EMIPA:

- Reduced 83% the workforce in the first half of fiscal 2020 and implemented a temporary care and maintenance program.
- A reduced cost structure facilitates EMIPA's ability to move forward with the next steps of the Oxides Stockpile Project (OSP) and the exploration program.
- OSP:
 - The Project was halted in mid-March due to COVID-19 restrictions. Metallurgical testing and engineering will commence as soon as restrictions are lifted.
 - Subject to the favorable completion of technical, economic and funding analysis, the OSP is expected to require approximately twelve months of development to start commercial production in fiscal 2021.
- The Company is compiling 30 years of historical exploration data in order to define an aggressive and comprehensive exploration program going forward to maximize EMIPA's exploration potential of its 58,325 hectares of mining concessions.

OROVALLE:

- El Valle continued production during the second quarter, notwithstanding the COVID-19 situation in Spain and the related challenges to the global supply chain.
- Drilling programs at El Valle and Carlés continued according to plan during the second quarter.

- Gold production of 12,139 ounces, compared to 13,722 ounces in first quarter of fiscal 2020. Production decrease was due to a combination of 5% lower throughput because of the prioritization of backfill activities in order to speed access to new oxides areas, and 8% lower head grade because of a different ore blend with lower percentage of oxides ore.
- Copper production was up, to 1.4 million pounds, compared to 0.9 million pounds in first quarter of fiscal 2020.
- OroValle COC & AISC of \$1,244 and \$1,596.

Selected Q2 2020 Consolidated Operational and Financial Information

	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Operating Performance					
Gold					
Grade (g/t)	2.74	2.42	2.54	2.55	2.54
Recovery (%)	92.9	92.2	93.2	92.5	93.3
Production (oz)	12,139	15,815	27,306	27,954	54,578
Sales (oz)	12,216	18,663	25,507	30,879	52,973
Average realized price / oz	\$1,528	\$1,473	\$1,299	\$1,494	\$1,261
Copper					
Grade (%)	0.52	0.36	0.49	0.44	0.49
Recovery (%)	83.1	71.5	78.1	78.2	77.0
Production ('000 lbs)	1,422	892	1,441	2,314	2,816
Sales ('000 lbs)	1,413	1,051	1,531	2,464	2,931
Average realized price / lb	2.60	2.64	2.80	2.62	2.80
Financial Performance (in 000's, except per share amounts)					
Revenue	\$20,658	\$29,020	\$36,013	\$49,678	\$72,331
Mining costs	\$18,657	\$26,004	\$27,512	\$44,661	\$58,107
Gross margin	(\$3,410)	(\$2,613)	\$3,930	(\$6,023)	\$4,795
Net income (loss)	(\$2,776)	(\$2,745)	\$3,334	(\$5,521)	\$2,274
Net income (loss) per share (basic/diluted)	(\$0.02)	(\$0.02)	\$0.02	(\$0.04)	\$0.02
EBITDA	\$1,688	\$1,515	\$8,265	\$3,203	\$12,714
Operating cash flows before non-cash					
working capital changes	\$1,384	\$2,108	\$8,684	\$3,492	\$12,853
Operating cash flows	(\$3,311)	\$2,176	\$1,238	(\$1,135)	\$4,604

Free cash flow	(\$1,478)	\$328	\$7,142	(\$1,150)	\$9,562
Ending cash and cash equivalents	\$6,256	\$8,135	\$9,316	\$6,256	\$9,316
Capital expenditures	\$2,862	\$1,780	\$1,542	\$4,642	\$3,291
Cash operating costs (by-product) (\$/oz) gold	\$1,363	\$1,207	\$971	\$1,268	\$999
All-in sustaining costs (by-product) (\$/oz) gold	\$1,765	\$1,370	\$1,107	\$1,527	\$1,135
All-in costs (by-product) (\$/oz) gold	\$1,787	\$1,382	\$1,138	\$1,542	\$1,156

• Earnings before interest, taxes, depreciation and amortization ("EBITDA"), free cash flow, cash operating costs, all-in sustaining costs and all-in costs are non-IFRS performance measures.

• Capital expenditures are presented in the consolidated cash flows in the Audited Financials on a cash basis.

Suspension of Fiscal 2020 Guidance

Due to the ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts on our business, we have suspended our previously issued 2020 annual guidance and will provide an update to our production and cost guidance when the situation stabilizes.

About Orvana Minerals

Orvana is a multi-mine gold-copper-silver company. Orvana's assets consist of the producing El Valle and Carlés gold-copper-silver mines in northern Spain and the Don Mario gold-silver property in Bolivia, currently in care and maintenance. Additional information is available at Orvana's website (www.orvana.com).

The unaudited, condensed interim consolidated financial statements for Q2 2020 and Management's Discussion and Analysis related thereto are available on SEDAR and on the Company's website at www.orvana.com.

Cautionary Statements - Forward-Looking Information

Certain statements made herein constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, potentials, future events or performance (often, but not always, using words or phrases such as "believes", "expects", "plans", "estimates", "intends" or "anticipates" or stating that certain actions, events or results "may", "could", "would", "might", "will" or "are projected to" be taken or achieved) are not statements of historical fact, but are forward-looking statements.

The forward-looking statements herein relate to, among other things, the potential impact of the COVID-19 on our the Company's business and operations, including our its ability to continue operations; our the Company's ability to manage challenges presented by COVID-19; the accounting treatment of COVID-19 related matters; Orvana's ability to prevent and/or mitigate the impact of COVID-19 and other infectious diseases at or near the Company's mines and support the sustainability of its business including through the development of crisis management plans, increasing stock levels for key supplies, monitoring of guidance from the medical community, and engagement with local communities and authorities; Orvana's ability to achieve improvement in free cash flow; the potential to extend the mine life of El Valle and Don Mario beyond their current life-of-mine estimates including specifically, but not limited to in the case of Don Mario, the processing of the mineral stockpiles and the reprocessing of the tailings material; Orvana's ability to optimize its assets to deliver shareholder value; the Company's ability to optimize productivity at Don Mario and El Valle; estimates of future production, operating costs and capital expenditures; mineral resource and reserve estimates; statements and information regarding future feasibility studies and their results; future transactions; future metal prices; the ability to achieve additional growth and geographic diversification, including without limitation, the ability to complete the acquisition of the Taguas Property; future financial performance, including the ability to increase cash flow and profits; and future financing requirements and mine development plans.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this news release, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in Orvana's most recently filed Management's Discussion & Analysis and Annual Information Form in respect of the Company's most recently completed fiscal year (the "Company Disclosures") or as otherwise expressly incorporated herein by reference as well as: there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; permitting, development, operations, expansion and acquisitions at El Valle and Don Mario being consistent with the Company's current expectations; political developments in any jurisdiction in which the Company operates being consistent with its current expectations; certain price assumptions for gold, copper and silver; prices for key supplies being approximately consistent with current levels; production and cost of sales forecasts meeting expectations; the accuracy of the Company's current mineral reserve and mineral resource estimates; and labour and materials costs increasing on a basis consistent with Orvana's current

expectations.

A variety of inherent risks, uncertainties and factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company and its business, and could cause actual events or results to differ materially from estimated or anticipated events or results expressed or implied by forward looking statements. Some of these risks, uncertainties and factors include fluctuations in the price of gold, silver and copper; the need to recalculate estimates of resources based on actual production experience; the failure to achieve production estimates; variations in the grade of ore mined; variations in the cost of operations; the availability of qualified personnel; the Company's ability to obtain and maintain all necessary regulatory approvals and licenses; the Company's ability to use cyanide in its mining operations; risks generally associated with mineral exploration and development, including the Company's ability to continue to operate the El Valle and/or Don Mario and/or ability to resume long-term operations at the Carlés Mine; the Company's ability to successfully implement a sulphidization circuit and ancillary facilities to process the current oxides stockpiles at Don Mario; the Company's ability to acquire and develop mineral properties and to successfully integrate such acquisitions; the Company's ability to execute on its strategy; the Company's ability to obtain financing when required on terms that are acceptable to the Company; challenges to the Company's interests in its property and mineral rights; current, pending and proposed legislative or regulatory developments or changes in political, social or economic conditions in the countries in which the Company operates; general economic conditions worldwide; and the risks identified in the Company's disclosures. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements and reference should also be made to the Company's Disclosures for a description of additional risk factors.

Any forward-looking statements made herein with respect to the anticipated development and exploration of the Company's mineral projects are intended to provide an overview of management's expectations with respect to certain future activities of the Company and may not be appropriate for other purposes.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and, except as required by law, the Company does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Readers are cautioned not to put undue reliance on forward-looking statements.

All Amounts in US Dollars Unless Otherwise Stated

SOURCE [Orvana Minerals Corp.](#)

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/351185--Orvana-Minerals-Corp.-Reports-Unaudited-Second-Quarter-Results-for-2020.html>

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