

Santacruz Silver Reports Third Quarter 2020 Financial Results

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Vancouver, November 30, 2020 - [Santacruz Silver Mining Ltd.](#) (TSXV: SCZ) (FSE: 1SZ) (the "Company" or "Santacruz") reports on operating and financial results of the Zimapan Mine in Zimapan Hidalgo Mexico and the Rosario Project in San Luis Potosi, Mexico for the third quarter of 2020. The full version of the financial statements and accompanying management's discussion and analysis can be viewed on the Company's website at www.santacruzsilver.com or on SEDAR at www.sedar.com. All amounts are in thousands of US dollars unless otherwise indicated.

Q3 2020 Highlights (compared to Q3 2019)

- Gross profit from mining operations of \$1,259 (\$102 in Q3 2019);
- Net loss of \$163 or \$0.00/share (net loss of \$886 or \$0.00/share in Q3 2019);
- Consolidated cash cost per silver equivalent ounce sold decreased by 13% and AISC decreased by 12% to \$18.38/oz and \$19.85/oz respectively; and,
- Cash cost per tonne decreased 13% to \$43.06/t (\$49.58/t in Q3 2019).

Carlos Silva, CEO of Santacruz stated, "Management's focus for 2020 is to return the Zimapan Mine to historical production levels while reaching our budgeted efficiencies and conclude the acquisition of the mine. At the Rosario Project, our focus is to further increase mill throughput tonnage from the already improved level achieved in October 2020 to 400 tpd by the end of Q4 2020 which should result in positive cashflows in Q4 2020." Mr. Silva continued, "The arrival of additional underground equipment at both Zimapan and Rosario during mid-October has been essential to our month over month increased production and cost efficiencies which should allow us to reach budgeted operational levels during Q4 2020."

Financial Results

Selected financial information for the three-month periods ended September 30, 2020, June 30, 2020 and September 30, 2019 is presented below:

	2020 Q3 2020	Q2 2019	Q3
Revenue - Mining Operations	9,437	5,939	11,439
Revenue - Mining Services	-	-	293
Gross Profit (Loss) ⁽¹⁾	1,259	796	102
Debt forgiveness	-	412	-
Net Loss	(163)	(636)	(886)
Net Loss Per Share - Basic (\$/share)	(0.00)	(0.00)	(0.00)
Adjusted EBITDA ⁽¹⁾	12	12	(705)

⁽¹⁾ The Company reports additional non-IFRS measures which include Gross Profit (Loss) and Adjusted EBITDA. These additional financial disclosure measures are intended to provide additional information. See the Company's MD&A filed on SEDAR or its website for a reconciliation of these amounts to the unaudited interim financial statements for the respective periods.

⁽²⁾ Financial results from the Zimapan Mine have been recorded on a 100% basis in the Q3 and Q2 2020 figures and as to 50% in Q3 2019 as the Company did not acquire 100% of the lease rights to the Zimapan Mine until October 2019.

The Company realized an average silver price of \$21.18 per ounce during Q3 2020, which represents a 21% increase from Q3 2019 and a 28% increase from Q2 2020.

The Company recorded a net loss of \$163 (\$0.00 per share) for the three-month period ended September

30, 2020 compared to a net loss of \$886 (\$0.00 loss per share) for the same period in 2019.

Silver equivalent production for Q3 2020 increased by 3% to 977,678 ounces as compared to 952,826 ounces in Q3 2019. This modest increase is largely due to the Company including 100% of the production from the Zimapan Mine in Q3 2020 as compared to 50% in Q3 2019 offset by nil production from the Veta Grande Project in Q3 2020.

Operational Results and Costs

Selected operating information for the three-month periods ended September 30, June 30, 2020 and September 30, 2019 is presented below:

	2020		2019
	Q3	Q2	Q3
Material Processed (tonnes milled)			
Zimapan Mine ⁽⁵⁾	164,846	106,725	82,242
Veta Grande Project	-	-	43,999
Rosario Project	11,794	10,074	22,048
Consolidated	176,640	116,799	148,289
Silver Equivalent Produced (ounces) ^{(1) (4)}			
Zimapan Mine ⁽⁵⁾	920,985	639,021	606,583
Veta Grande Project	-	-	214,282
Rosario Project	56,693	70,744	131,961
Consolidated	977,678	709,765	952,826
Silver Equivalent Sold (payable ounces) ⁽²⁾			
Zimapan Mine ⁽⁵⁾	625,036	461,324	350,571
Veta Grande Project	-	-	114,705
Rosario Project	36,628	30,018	65,139
Consolidated	661,664	491,341	530,415
Cash Cost of Production per Tonne ⁽³⁾			
Zimapan Mine	39.91	40.67	41.89
Veta Grande Project	-	-	47.67
Rosario Project	87.08	49.53	82.10
Consolidated	43.06	41.44	49.58
Cash Cost per Silver Equivalent Ounce ⁽³⁾			
Zimapan Mine	17.45	14.88	15.70
Veta Grande Project	-	-	19.79
Rosario Project	34.13	21.45	27.96
Consolidated	18.38	15.25	18.52
All-in Sustaining Cash Cost per Silver Equivalent Oz ⁽³⁾			
Zimapan Mine	18.54	16.00	18.34
Veta Grande Project	-	-	26.77
Rosario Project	42.07	31.91	38.25
Consolidated	19.85	16.90	22.51
Average Realized Silver Price per Ounce ⁽³⁾			
Zimapan Mine	21.01	16.47	17.51
Veta Grande Project	-	-	17.64
Rosario Project	24.08	16.89	17.65
Consolidated	21.18	16.49	17.52

⁽¹⁾ Silver equivalent ounces produced in 2020 have been calculated using prices of \$17.85/oz., \$1,480/oz., \$0.92/lb, \$1.09/lb and \$2.80/lb. for silver, gold, lead, zinc and copper respectively applied to the metal content of the concentrates produced by the Veta Grande Project, Rosario Project and the leased Zimapan Mine. Operations at the Vets Grande Project were suspended in Q1 2020 and to date have not resumed. Silver equivalent ounces produced in 2019 have been calculated using prices of \$15.25/oz., \$1,281/oz., \$0.94/lb, \$1.20/lb and \$2.92/lb for silver, gold, lead, zinc and copper respectively applied to the metal content of the concentrates produced by the Veta Grande Project and the Rosario Project for all of 2019 as well as 50% and 100% of the metal content of the concentrates produced at the leased Zimapan Mine in Q3 and Q4 2019 respectively.

⁽²⁾ Silver equivalent sold ounces have been calculated using the realized silver prices stated in the table

above, applied to the payable metal content of the concentrates sold from the Veta Grande Project, Rosario Project and Zimapan Mine respectively.

(3) The Company reports non-IFRS measures which include Cash Cost per Silver Equivalent, All-in Sustaining Cash Cost per Silver Equivalent, Cash Cost of Production per Tonne, and Average Realized Silver Price per Ounce. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. See the Company's MD&A filed on SEDAR or its website for a reconciliation of these amounts to the unaudited interim financial statements for the respective periods.

(4) Amounts reported for the Zimapan Mine reflect the Company's proportionate interest in the mine which was 50% in Q3 2019 and 100% in Q4 2019 and thereafter.

Cash cost per tonne of mineralized material processed decreased by 13% in Q3 2020 to \$43.06/t as compared to \$49.58/t in Q3 2019. This positive change in unit costs reflects primarily a 5% decrease in unit costs at the Zimapan Mine and the impact on unit costs from the suspension of mining activities at the Veta Grande Project offset by a 6% increase in unit costs at the Rosario Project. The unit costs at both the Zimapan Mine and Rosario Project are expected to continue to decrease as a result of increased throughput tonnage at the respective milling facilities. As compared to the Q2 2020 unit costs, the Q3 2020 cash cost of production per tonne of mineralized material processed increased by 4%. This variance is due to a 25% decrease in unit costs at the Rosario project which in turn reflects low underground mining equipment availability during Q3 2020 quarter. This matter was resolved in October 2020 with the addition of two new scooptrams at the Rosario Project.

Cash cost per silver equivalent ounce sold was essentially unchanged in Q3 2020 at \$18.38/oz as compared to Q3 2019. Compared to Q2 2020, the Q3 2020 unit costs increased 21%. This negative was also due to low underground mining equipment availability at both projects which was resolved in October 2020 with the delivery of new underground scooptrams at each project. As reported in the Company's press release on November 18, 2020, the consolidated mill throughput tonnage increased by 17% while silver equivalent ounces produced increased by 21% in October 2020 compared to the monthly averages for Q3 2020. Both of these increases were largely the result of increased underground equipment availability.

All-in sustaining cash cost per silver equivalent ounce sold decreased by 12% in Q3 2020 to \$19.85/oz as compared to \$22.51/oz in Q3 2019. This change in unit costs largely reflects the suspension of mining activities at the Veta Grande Project. Compared to the Q2 2020-unit cost, Q3 saw a 17% increase to AISC. Again, with the expected improvement in underground equipment availability in Q4 2020 and beyond, management anticipates that AISC will decrease.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company that currently owns and operates the Rosario Mine. The Company also owns 100% of Carrizal Mining S.A. de C.V. Carrizal Mining holds a 20% working interest in the Company's Veta Grande Project and has the right to operate the Zimapan Mine until December 31, 2020 under a mining lease agreement. On July 28, 2020 the Company announced that it had reached agreement with Minera Cedros, S.A. de C.V. ("Minera Cedros"), a wholly owned subsidiary of Industrias Peñoles, S.A.B. de C.V., to acquire outright the Zimapan Mine for US\$20.0 million (plus applicable IVA of US\$3.2 million), subject to a number of conditions, including receipt of all necessary regulatory approvals including approval of the TSX Venture Exchange ("TSXV") to the transaction which will constitute a "Fundamental Acquisition" pursuant to TSXV Policy 5.3.

The Company is managed by a technical team of professionals with proven track records in developing, operating and discovering silver mines in Mexico. Our corporate objective is to become a mid-tier silver producer.

'signed'

Arturo Préstamo Elizondo,
Executive Chairman

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward looking information

Certain statements contained in this news release constitute "forward-looking information" as such term is used in applicable Canadian securities laws, including the agreement with Minera Cedros and the acquisition of the Zimapan Mine by the Company. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions. In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including that the Company's financial condition and development plans do not change as a result of unforeseen events, that the Company will receive all required regulatory approvals and that future metal prices and the demand and market outlook for metals will remain stable or improve. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, unanticipated delays in obtaining or failure to obtain regulatory or stock exchange approvals; the risk that any of the assumptions referred to above prove not to be valid or reliable; there can be no assurance that the Company will be successful in completing the acquisition of the Zimapan Mine (including obtaining the necessary funding); risk of delays or inability to obtain the approval of the TSXV to the acquisition of the Zimapan Mine; market conditions and volatility and global economic conditions, including increased volatility and potentially negative capital raising conditions resulting from the continued COVID-19 pandemic and risks relating to the extent and duration of such pandemic and its impact on global markets; risk of delay and/or cessation in planned work or changes in the Company's financial condition and development plans; risks associated with the interpretation of data (including in respect of the third party mineralized material) regarding the geology, grade and continuity of mineral deposits; the uncertainty of the geology, grade and continuity of mineral deposits and the risk of unexpected variations in mineral resources, grade and/or recovery rates; risks related to gold, silver, base metal and other commodity price fluctuations; risks relating to environmental regulation and liability; the possibility that results will not be consistent with the Company's expectations, as well as the other risks and uncertainties applicable to mineral exploration and development activities and to the Company as set forth in the Company's continuous disclosure filings filed under the Company's profile at www.sedar.com. There can be no assurance that any forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. The Company undertakes no obligation to update forward-looking information or statements, other than as required by applicable law.

Rosario Project

The decisions to commence production at the Rosario Mine, Cinco Estrellas Property and Membrillo Prospect were not based on a feasibility study of mineral reserves demonstrating economic and technical viability, but rather on a more preliminary estimate of inferred mineral resources. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with this production decision. Production and economic variables may vary considerably, due to the absence of a complete and detailed site analysis according to and in accordance with NI 43-101.

Zimapan Mine

Production at the Zimapan Mine is not supported by a feasibility study on mineral reserves demonstrating economic and technical viability or any other independent economic study under NI 43-101. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with production operations at the Zimapan Mine. Production and economic variables may vary considerably due to the absence of a complete and detailed site analysis according to and in accordance with NI 43-101. There is no assurance that the Company will be successful in negotiating and completing any acquisition of the Zimapan Mine. Any transaction to acquire the Zimapan Mine will be subject to receipt of all necessary regulatory

approvals, including Santacruz obtaining the approval of the TSX Venture Exchange.

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