

Gran Colombia Announces First Quarter 2021 Results; Files National Instrument 43-101 Technical Report for Its Segovia Operations

14.05.2021 | [GlobeNewswire](#)

TORONTO, May 13, 2021 - [Gran Colombia Gold Corp.](#) (TSX: GCM; OTCQX: TPRFF) announced today the release of its unaudited interim condensed consolidated financial statements and accompanying management's discussion and analysis (MD&A) for the three months ended March 31, 2021. All financial figures contained herein are expressed in U.S. dollars ("USD") unless otherwise noted.

First Quarter 2021 Highlights

- In February 2021, Gran Colombia successfully brought its spin out of the Marmato Mining Assets to a conclusion, one in which the Company has a continuing equity ownership of 44.3% in the new, fully financed, Aris Gold Corporation ("Aris"). The Company also added a 27.3% equity interest in Denarius Silver Corp. ("Denarius") to its portfolio in the first quarter of 2021, giving it exposure to the Lomero-Poyatos polymetallic deposit located in Spain, in close proximity to the Matsa JV project, and to the Guia Antigua and Zancudo Projects in Colombia. Gran Colombia has also announced a takeover bid for all the shares of Gold X Mining Corp ("Gold X") its does not already own. Subject to shareholder and regulatory approval, the companies are working towards closing the transaction in early June 2021.
- Gran Colombia's *gold production* totaled 49,058 ounces at its Segovia Operations in the first quarter of 2021 compared with 50,346 ounces in the first quarter of 2020. In April 2021, Segovia's gold production was 17,473 ounces bringing the Company's trailing 12-months total gold production at the end of April 2021 to 201,140 ounces, up 2% over 2020. The Company remains on track with its annual production guidance for 2021 of 200,000 to 220,000 ounces of gold.
- The Company's *ongoing drilling program at Segovia* continues to provide encouraging results, reaffirming confidence in the high-grade nature of the Segovia gold deposits. In the first quarter of 2021, the Company completed approximately 9,000 meters of its planned 40,000 meters program focused on step-out and infill drilling in proximity to the Company's four mining operations. In addition, the Company completed approximately 2,300 meters of drilling at the Vera and Marmajito veins as part of its planned 20,000 meters program dedicated to exploration on the high priority brownfield targets in the Segovia mining title. The Company currently has eight drill rigs operating at Segovia and expects to add two more drill rigs in the second half of the year. Results from the drill program in the first quarter of 2021 are expected to be announced in early June.
- Consolidated *revenue* amounted to \$101.9 million in the first quarter of 2021 compared with \$101.0 million in the first quarter of 2020, reflecting an increase in the Company's realized gold price ⁽¹⁾ to an average of \$1,812 per ounce sold from \$1,570 in the first quarter last year, offset by lower gold sales volume this year which included only one month of Marmato's operating results prior to the loss of control of Aris in early February 2021.
- At the Segovia Operations, *total cash costs* ⁽¹⁾ averaged \$825 per ounce in the first quarter of 2021, a slight improvement from \$830 per ounce in the fourth quarter of 2020 and up from \$604 per ounce in the first quarter of 2020. The year-over-year increase in Segovia's total cash cost per ounce reflects (i) an increase in contractor and artisanal mining payment rates (which had not changed since 2017) implemented in the third quarter of 2020 in response to the current gold market conditions, (ii) higher spot gold prices which increased production taxes on a per ounce basis and (iii) additional costs to maintain the necessary COVID-19 protocols required to protect the health and safety of Segovia's workers and the local communities. Total cash costs, including Marmato, averaged \$862 per ounce in the first quarter of 2021 compared with \$667 per ounce in the first quarter of 2020.

- *All-in sustaining costs ("AISC")* ⁽¹⁾ for the Segovia Operations were \$1,120 per ounce in the first quarter of 2021, down from \$1,266 per ounce in the fourth quarter of 2020 and up from \$836 per ounce in the first quarter of 2020. The year-over year increase in Segovia's AISC reflects (i) the increased total cash costs, (ii) an increase in mine development and other sustaining capital expenditures at the Company's mines and (iii) the impact of lower gold sales volume at Segovia of AISC on a per ounce basis. Including Marmato, consolidated AISC in the first quarter of 2021 was \$1,164 per ounce compared with \$890 per ounce in the first quarter last year.
- *Adjusted EBITDA* ⁽¹⁾ amounted to \$46.3 million for the first quarter of 2021, compared with \$50.4 million in the first quarter last year. The Company's trailing 12-months adjusted EBITDA at the end of March 2021 stood at \$183.7 million compared with \$187.8 million in 2020.
- *Net cash provided by operating activities* in the first quarter of 2021 was \$13.6 million compared with \$31.8 million in the first quarter last year and reflected (i) a \$7.2 million increase in income tax payments in Colombia, (ii) \$8.8 million of change of control payments in the Aris Transaction and (iii) continued delay in receiving VAT refunds in Colombia due to the impact of COVID-19 on the government's processing of claims. The Company has since received \$11.2 million of its past due VAT refunds in April and May 2021.
- *Free Cash Flow* ⁽¹⁾ in the first quarter of 2021 amounted to \$2.5 million compared with \$17.8 million in the first quarter of 2020. Adjusted to exclude Aris, the Company's Free Cash Flow in the first quarter of 2021 was \$14.8 million compared with \$22.3 million in the first quarter last year, reflecting the increased level of income taxes paid in the first quarter of 2021 compared with the same period last year.
- The Company's *balance sheet* remained solid with total cash of \$73.6 million at the end of the first quarter of 2021. After the quarterly Amortizing Payments in 2021 and the early optional redemption completed on May 10, 2021, the aggregate principal amount of Gold Notes currently outstanding is \$19.75 million. The Company also completed a partial redemption in April 2021 of 10% of its Convertible Debentures bringing the amount outstanding down to CA\$18 million.
- The Company returned a total of \$5.4 million to shareholders in the first quarter of 2021 with the repurchase of 702,000 shares at a cost of \$3.2 million and payment of its monthly dividends totaling \$2.2 million.
- The Company reported *net income* of \$118.3 million (\$2.02 per share) in the first quarter of 2021 compared with net income of \$24.3 million (\$0.42 per share) in the first quarter of 2020. Income from operations in the first quarter of 2021 amounted to \$39.1 million compared with \$40.9 million in the first quarter of 2020 despite including two fewer months of operating results from Marmato due to the loss of control of Aris in early February 2021. In the first quarter of 2021, the increase in realized gold prices together with lower G&A and share-based compensation expense more than mitigated the impact of higher cost of sales at Segovia on income from operations. Net income in the first quarter of 2021 benefitted from the \$56.9 million gain on loss of control of Aris, the \$42.8 million gain on financial instruments and the \$8.9 million gain on sale of the Zancudo Project, partially offset by the Aris Transaction costs of \$9.8 million.
- *Adjusted net income* ⁽¹⁾ for the first quarter of 2021 was \$21.9 million (\$0.36 per share) compared with \$21.2 million (\$0.37 per share) in the first quarter last year. The year-over-year improvement in adjusted net income in 2021 largely reflects the factors noted above regarding income from operations together with a decrease in finance costs due to the reduction in the Company's debt over the last year.

Selected Financial Information

	First Quarter	
	2021	2020
Operating data		
Gold produced (ounces)	51,486	56,247
Gold sold (ounces)	55,317	63,701
Average realized gold price (\$/oz sold)	\$ 1,812	\$ 1,570
Total cash costs (\$/oz sold) ⁽¹⁾	862	667
AISC (\$/oz sold) ⁽¹⁾	1,164	890

Financial data (\$000's, except per share amounts)

Revenue	\$ 101,919	\$ 100,976
Adjusted EBITDA ⁽¹⁾	46,323	50,437
Net income	118,305	24,255
Per share - basic	2.02	0.42
Per share - diluted	1.28	0.42
Adjusted net income ⁽¹⁾	21,948	21,232
Per share - basic	0.36	0.37
Per share - diluted	0.31	0.31
Net cash provided by operating activities	13,617	31,811
Free cash flow ⁽¹⁾	2,497	17,831
	March 31, 2021	December 31, 2020

Balance sheet (\$000's):

Cash and cash equivalents	\$ 73,709	\$ 122,508
Gold Notes, including current portion - principal amount outstanding ⁽²⁾	32,638	35,525
Convertible Debentures - principal amount outstanding ⁽³⁾	CA20,000	CA\$20,000

(1) Refer to "Non-IFRS Measures" in the Company's MD&A.

(2) The Gold Notes were issued in 2018 and are recorded in the Interim Financial Statements at fair value. At March 31, 2021 and December 31, 2020, the carrying amounts of the Gold Notes outstanding were \$34.6 million and \$38.5 million, respectively.

(3) The Convertible Debentures were issued in 2019 and are recorded in the Interim Financial Statements at fair value. At March 31, 2021 and December 31, 2020, the carrying amounts of the Convertible Debentures outstanding were \$22.4 million and \$28.4 million.

Filing of NI 43-101 Technical Report for the Segovia Operations

Gran Colombia also announced today that it has filed an updated PFS technical report on its Segovia Operations (the "Technical Report") pursuant to *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* ("NI 43-101"). The Technical Report, which supports the disclosure made by the Company in its March 31, 2021 news release and its 2020 Annual MD&A dated March 31, 2021, was prepared by SRK Consulting (U.S.), Inc. and is based on the updated Mineral Reserve and Mineral Resource estimates for the Segovia Operations with an effective date of December 31, 2020.

First Quarter 2021 Results Webcast

As a reminder, Gran Colombia will host a conference call and webcast on Friday, May 14, 2021 at 9:00 a.m. Eastern Time to discuss the results.

Webcast and call-in details are as follows:

Live Event link:	https://edge.media-server.com/mmc/p/sffq8mu3
Canada Toll / International:	1 (514) 841-2157
North America Toll Free:	1 (866) 215-5508
Colombia Toll Free:	01 800 9 156 924
Conference ID:	50163709

A replay of the webcast will be available at www.grancolombiagold.com from Friday May 14, 2021 until Friday, June 11, 2021.

About Gran Colombia Gold Corp.

Gran Colombia is a Canadian-based mid-tier gold producer with its primary focus in Colombia where it is

currently the largest underground gold and silver producer with several mines in operation at its high-grade Segovia Operations. Gran Colombia's portfolio includes equity positions in several listed companies advancing gold and silver projects including a 44.3% equity interest in Aris Gold Corporation (TSX: ARIS) (Colombia - Marmato; Canada - Jubby), an 17.8% equity interest in Gold X Mining Corp. (TSX-V: GLDX) (Guyana - Toroparu), a 27.3% equity interest in Denarius Silver Corp. (TSX-V: DSLV) (Spain - Lomero; Colombia - Guia Antigua and Zancudo) and a 25.8% equity interest in [Western Atlas Resources Inc.](#) (TSX-V: WA) (Nunavut - Meadowbank).

Additional information on Gran Colombia can be found on its website at www.grancolombiagold.com and by reviewing its profile on SEDAR at www.sedar.com.

Cautionary Statement on Forward-Looking Information:

This news release contains "forward-looking information", which may include, but is not limited to, statements with respect to the continuation of operations during the COVID-19 situation, production guidance, acquisition bid for Gold X Mining, expected timing to release exploration results, payment of dividends and other anticipated business plans or strategies. Often, but not always, forward-looking statements can be identified by the use of words 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 involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Gran Colombia to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risk Factors" in the Company's Annual Information Form dated as of March 31, 2021 which is available for view on SEDAR at www.sedar.com. Forward-looking statements contained herein are made as of the date of this press release and Gran Colombia disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. 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, the reader is cautioned not to place undue reliance on forward-looking statements.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/383643--Gran-Colombia-Announces-First-Quarter-2021-Results-Files-National-Instrument-43-101-Technical-Report-for-Its-S>

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