

Jaguar Mining Reports Financial Results for the Third Quarter 2022

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TORONTO, November 9, 2022 - [Jaguar Mining Inc.](#) ("Jaguar" or the "Company") (TSX:JAG, OTCQX:JAGGF) today announced financial results for the third quarter ("Q3 2022") ended September 30, 2022. All figures are in US Dollars, unless otherwise expressed.

Q3 2022 Financial Highlights

- Revenue for Q3 2022 decreased 7% to \$37.8 million, compared with \$40.7 million in Q3 2021, mainly due to a decrease in the average realized gold price of \$1,711 per ounce in Q3 2022 compared to \$1,753 per ounce in Q3 2021.
- Operating costs totaled \$22.1 million in Q3 2022 compared to \$19.4 million in Q3 2021. The 14% increase in operating costs was mainly due to inflation and head count increase in the past twelve months, with labour costs increasing by approximately 12%, mining materials by approximately 28%, and plant consumables increasing by approximately 4%.
- Net income for Q3 2022 decreased to \$6.5 million, compared with \$11.4 million in Q3 2021. Major variances included a \$2.9 million decline in revenue, \$2.7 million increase in operating costs, \$0.7 million reduction on foreign exchange gain, and a \$0.7 million increase in finance costs, offset by an income tax expense reduction of \$2.5 million.
- Cash operating costs¹ increased 20% to \$999 per ounce of gold in Q3 2022 compared to \$833 in Q3 2021 due to a 14% increase in operating costs, attributed to inflationary pressure on mining materials and labour. All-in sustaining costs¹ increased to \$1,331 per ounce of gold sold in Q3 2022, compared to \$1,184 per ounce of gold sold in Q3 2021 due to the cash cost increase as explained above, partially offset by lower sustaining capital expenditures.
- Free cash flow¹ in Q3 2022 was \$8.4 million and was based on operating cash flow plus asset retirement obligation expenditures, less sustaining capital expenditures, compared to \$9.8 million in Q3 2021. Free cash flow was \$378 per ounce of gold sold in Q3 2022 compared to \$423 per ounce of gold sold in Q3 2021.

Cash Position and Working Capital¹

- As of September 30, 2022, the Company had a cash and cash equivalents position of \$29.9 million, compared to \$40.4 million on December 31, 2021.
- As of September 30, 2022, working capital was \$19.6 million, compared to \$32 million on December 31, 2021. The decrease in working capital is due to a reduction of 14% or \$5 million in operating cash flow generated during YTD 2022, combined with a 30% increase in net cash used in investing activities from \$23 million YTD 2021 to \$29.8 million YTD 2022, mainly due to the \$7 million cash received as a result of the royalty sales 2021. Partially offset by a 31% reduction in net cash used in financing activities due to lower dividends payment during YTD 2022.

Vern Baker, President and CEO of Jaguar Mining stated: "The Jaguar team has worked diligently through a difficult first half of the year to bring us back on track with our goals and objectives in the third quarter. Our performance delivered and demonstrated that Jaguar can operate consistently and produce at sustainable rates while increasing total development rates. I am pleased to report that Jaguar continues to produce cash flow allowing us to fund exploration and projects that grow the company in one of the greatest gold jurisdictions in Brazil. Our efforts to reduce operating and AISC are making a positive impact on the cash flow.

Jaguar has paid quarterly dividend for the past 9 consecutive quarters, which has yielded our shareholders a 5%+ annualized return and has spent over \$35 million to identify and develop additional resources. The current global macro economic environment has resulted in a weakening of the gold price and global inflationary pressures on cost have resulted in operating margin compression. The Board and Management have decided to suspend the quarterly dividend for the time being in order to prioritize the maximization of cashflow to invest in growth capital, in particular the advancement of the Faina project and convert our

exploration success into value enhancing propositions for our shareholders.

The Board of directors will continue to review, among other things, the Company's budget, cash flow forecast, growth opportunities and market conditions on a quarterly basis to determine whether dividends will be declared on Shares for future quarters."

Q3 2022 Financial Results

Non-GAAP performance

The Company has included the following Non-GAAP performance measures in this document: cash operating costs per ounce of gold sold, all-in sustaining costs per ounce of gold sold, average realized gold price (per ounce of gold sold), sustaining capital expenditures, non-sustaining capital expenditures, adjusted operating cash flow, free cash flow, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA and working capital. These Non-GAAP performance measures do not have any standardized meaning prescribed by IFRS and, therefore, are not comparable to similar measures presented by other companies.

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. More specifically, Management believes that these figures are a useful indicator to investors and management of a mine's performance as they provide: (i) a measure of the mine's cash margin per ounce, by comparison of the cash operating costs per ounce to the price of gold; (ii) the trend in costs as the mine matures; and (iii) an internal benchmark of performance to allow for comparison against other mines. The definitions of these performance measures and reconciliation of the Non-GAAP measures to reported IFRS measures are outlined below.

Reconciliation of Cash Operating Costs, All-In Sustaining Costs and All-In Costs per Ounce Sold¹

Cash operating costs per ounce sold is calculated by dividing operating costs per the consolidated statement of comprehensive income (loss) by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, but excludes depreciation.

All-in sustaining cost performance reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), corporate administration costs and sustaining exploration. All-in sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, financing costs, debt repayments and taxes.

Reconciliation of sustaining capital and non-sustaining capital expenditures¹

Reconciliation of Free Cash Flow¹

Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA¹

Working Capital¹

Qualified Person

Scientific and technical information contained in this press release has been reviewed and approved by Jonathan Victor Hill, BSc (Hons) (Economic Geology - UCT), FAUSIMM, Vice President Geology and Exploration, who is also an employee of [Jaguar Mining Inc.](#), and is a "qualified person" as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").

The Iron Quadrangle

The Iron Quadrangle has been an area of mineral exploration dating back to the 16th century. The discovery in 1699-1701 of gold contaminated with iron and platinum-group metals in the southeastern corner of the Iron Quadrangle gave rise to the name of the town Ouro Preto (Black Gold). The Iron Quadrangle contains world-class multi-million-ounce gold deposits such as Morro Velho, Cuiabá, and São Bento. Jaguar holds the Third largest gold land position in the Iron Quadrangle with just over 25,000 hectares.

About Jaguar Mining Inc.

[Jaguar Mining Inc.](#) is a Canadian-listed junior gold mining, development, and exploration company operating in Brazil with three gold mining complexes and a large land package with significant upside exploration potential from mineral claims. The Company's principal operating assets are located in the Iron Quadrangle, a prolific greenstone belt in the state of Minas Gerais and include the Turmalina Gold Mine Complex and Caeté Mining Complex (Pilar and Roça Grande Mines, and Caeté Plant). The Company also owns the Paciência Gold Mine Complex, which has been on care and maintenance since 2012. The Roça Grande Mine has been on temporary care and maintenance since April 2019. Additional information is available on the Company's website at www.jaguarmining.com.

For further information please contact:

Vernon Baker
Chief Executive Officer
[Jaguar Mining Inc.](#)

vernion.baker@jaguarmining.com
416-847-1854

Hashim Ahmed
Chief Financial Officer
[Jaguar Mining Inc.](#)

hashim.ahmed@jaguarmining.com
416-847-1854

Forward-Looking Statements

Certain statements in this news release constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking statements and information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking information made in this news release is qualified by the cautionary statements below and those made in our other filings with the securities regulators in Canada. Forward-looking information contained in forward-looking statements can be identified by the use of words such as "are expected," "is forecast," "is targeted," "approximately," "plans," "anticipates," "projects," "anticipates," "continue," "estimate," "believe" or variations of such words and phrases or statements that certain actions, events or results "August," "could," "would," "might," or "will" be taken, occur or be achieved. All statements, other than statements of historical fact, August be considered to be or include forward-looking information. This news release contains forward-looking information regarding, among other things, expected sales, production statistics, ore grades, tonnes milled, recovery rates, cash operating costs, definition/delineation drilling, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, currency fluctuations, capital requirements, project studies, mine life extensions, restarting suspended or disrupted operations, continuous improvement initiatives, and resolution of pending litigation. The Company has made numerous assumptions with respect to forward-looking information contained herein, including, among other things, assumptions about the estimated timeline for the development of its mineral properties; the supply and demand for, and the level and volatility of the price of, gold; the accuracy of reserve and resource estimates and the assumptions on which the reserve and resource estimates are based; the receipt of necessary permits; market competition; ongoing relations with employees and impacted communities; political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any potential power rationing, tailings facility regulation, exploration and mine operating licenses and permits being obtained and renewed and/or there being adverse amendments to mining or other laws in Brazil and any changes to general business and economic conditions. Forward-looking information involves a number of known and unknown risks and uncertainties, including among others: the risk of Jaguar not meeting the forecast plans regarding its operations and financial performance; uncertainties with respect to the price of gold, labour disruptions, mechanical failures, increase in costs, environmental compliance and change in environmental legislation

and regulation, weather delays and increased costs or production delays due to natural disasters, power disruptions, procurement and delivery of parts and supplies to the operations; uncertainties inherent to capital markets in general (including the sometimes volatile valuation of securities and an uncertain ability to raise new capital) and other risks inherent to the gold exploration, development and production industry, which, if incorrect, August cause actual results to differ materially from those anticipated by the Company and described herein. In addition, there are risks and hazards associated with the business of gold exploration, development, mining and production, including environmental hazards, tailings dam failures, industrial accidents and workplace safety problems, unusual or unexpected geological formations, pressures, cave-ins, flooding, chemical spills, procurement fraud and gold bullion thefts and losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Accordingly, readers should not place undue reliance on forward-looking information.

For additional information with respect to these and other factors and assumptions underlying the forward-looking information made in this news release, see the Company's most recent Annual Information Form and Management's Discussion and Analysis, as well as other public disclosure documents that can be accessed under the issuer profile of "[Jaguar Mining Inc.](#)" on SEDAR at www.sedar.com. The forward-looking information set forth herein reflects the Company's reasonable expectations as at the date of this news release and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

Non-IFRS Measures

This news release provides certain financial measures that do not have a standardized meaning prescribed by IFRS. Readers are cautioned to review the below stated footnotes where the Company expands on its use of non-IFRS measures.

1. Cash operating costs and cash operating cost per ounce are non-IFRS measures. In the gold mining industry, cash operating costs and cash operating costs per ounce are common performance measures but do not have any standardized meaning. Cash operating costs are derived from amounts included in the Consolidated Statements of Comprehensive Income (Loss) and include mine-site operating costs such as mining, processing and administration, as well as royalty expenses, but exclude depreciation, depletion, share-based payment expenses, and reclamation costs. Cash operating costs per ounce are based on ounces produced and are calculated by dividing cash operating costs by commercial gold ounces produced; US\$ cash operating costs per ounce produced are derived from the cash operating costs per ounce produced translated using the average Brazilian Central Bank R\$/US\$ exchange rate. The Company discloses cash operating costs and cash operating costs per ounce, as it believes those measures provide valuable assistance to investors and analysts in evaluating the Company's operational performance and ability to generate cash flow. The most directly comparable measure prepared in accordance with IFRS is total production costs. A reconciliation of cash operating costs per ounce to total production costs for the most recent reporting period, the quarter ended September 30, 2022, is set out in the Company's third quarter 2022 Management Discussion and Analysis (MD&A) filed on SEDAR at www.sedar.com.
2. All-in sustaining cost is a non-IFRS measure. This measure is intended to assist readers in evaluating the total costs of producing gold from current operations. While there is no standardized meaning across the industry for this measure, except for non-cash items the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance note dated June 27, 2013. The Company defines all-in sustaining cost as the sum of production costs, sustaining capital (capital required to maintain current operations at existing levels), corporate general and administrative expenses, and in-mine exploration expenses. All-in sustaining cost excludes growth capital, reclamation cost accretion related to current operations, interest and other financing costs, and taxes. A reconciliation of all-in sustaining cost to total production costs for the most recent reporting period, the quarter ended September 30, 2022, is set out in the Company's third quarter 2022 MD&A filed on SEDAR at www.sedar.com.

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