

Jaguar Mining Reports Second Quarter 2023 Results and Provides Corporate Update

10.08.2023 | [ACCESS Newswire](#)

TORONTO, August 10, 2023 - [Jaguar Mining Inc.](#) ("Jaguar" or the "Company") (TSX:JAG)(OTCQX:JAGGF) today announced financial and operating results for the second quarter ended June 30, 2023. All figures are in US Dollars, unless otherwise expressed.

Second Quarter Highlights

- Operating cash flow was \$10 million, compared to \$9.4 million in the second quarter of 2022, mainly due to an increase of 6% in the average realized gold price¹, combined with an 8% decrease in operating costs, and lower cash income taxes paid of \$1.9 million, compared to \$2.4 million in the second quarter of 2022. This was partially offset by a 17% decrease in ounces of gold sold from 20,482 ounces the second quarter of 2022 to 16,917 ounces in the second quarter of 2023.
- Free cash flow¹ of \$2.4 million and was based on operating cash flow plus asset retirement obligation expenditures, less capital expenditures, compared to \$5.5 million in Free Cash Flow in the second quarter of 2022. Free cash flow was \$141 per ounce of gold sold compared to \$270 per ounce of gold sold in the second quarter of 2022.
- Total capital expenditures were 4% or \$0.43 million higher in the second quarter compared to the same period in 2022 with sustaining capital expenditures \$3.7 million higher offset by non-sustaining capital expenditures which were \$3.3 million lower. Sustaining capital expenditures of \$8.3 million in the quarter consisted of \$5.5 million in primary development, \$2.2 million in equipment, \$0.5 million in brownfield exploration, and \$0.1 million of other sustaining capital.
- Revenue decreased 12% to \$33.2 million compared with \$37.9 million in the second quarter of 2022, mainly due to a decrease in ounces produced, which resulted in lower ounces of gold sold of 16,917 ounces as compared to 20,482 ounces in the second quarter of 2022, partially offset by an increase in the average realized gold price of \$1,962 per ounce compared to \$1,852 per ounce in the second quarter of 2022.
- Gold production decreased 24% to 16,750 ounces compared to 22,028 ounces in the second quarter of 2022, due to a 15% decrease in the average head grade, combined with an 11% decrease in tonnes of ore processed.
- Operating costs decreased 8% to \$19.5 million compared to \$21.1 million in the second quarter of 2022. The decrease in operating costs was predominantly the result of decrease in tonnes mined compared to second quarter of 2022.
- Cash operating costs¹ increased 12% to \$1,150 compared to \$1,029 per ounce of gold sold in the second quarter of 2022 due to a 17% decrease in ounces of gold sold compared to the second quarter of 2022.
- All-in sustaining costs¹ increased to \$1,781 compared to \$1,366 per ounce of gold sold in the second quarter of 2022 due to the cash cost increase as explained above, combined with higher sustaining capital expenditures the result of a 20% increase in primary development plus exploration development in the quarter of 1,955 metres compared to 1,627 metres in the second quarter of 2022.
- Net loss of \$1.1 million, compared to Net Income of \$9.5 million in the second quarter of 2022. Major variances included a \$4.7 million decrease in revenue, a \$5.6 million increase in foreign exchange expenses, an increase of \$1.3 million in income tax expense, offset by \$1.6 million decrease in operating costs.

¹ This is a Non-GAAP financial performance measure with no standard definition under IFRS. For more details, refer to the Non-GAAP Performance Measures section of the MD&A.

Cash Position and Working Capital¹

- As of June 30, 2023, the Company had a cash and cash equivalents position of \$23.9 million, compared to \$25.2 million on December 31, 2022.

- As of June 30, 2023, working capital was \$17.5 million, compared to \$19.5 million on December 31, 2022, which includes \$3 million in short term loans from Brazilian banks.

Vern Baker, President and CEO of Jaguar Mining stated: "The Company faced another difficult quarter as both mines encountered issues with dynamic orebodies leading to lower grades and tonnes than was expected in the areas we mined. At the Pilar mine, both tonnes and grade were impacted by rapid geometry changes in the main orebody. The Pilar mining team has adapted plans to flatter dips, narrower ore widths, and extended strike lengths. At the Turmalina mine, the team has increased sampling and drilling to improve the grade mined. Development rates continued to be strong at both mines during the quarter as we are working to position the mines with an increasing number of headings to drive production up.

We have also implemented cost reduction measures which have begun to take effect reducing our operating costs. These initiatives will continue in the second half of the year.

While the strengthening Brazilian Real impacted our costs and income during the quarter, we continue to have a strong balance sheet and are well positioned to execute our improvement plans.

Finally, I am very excited to announce the appointment of Alfred Colas as Chief Financial Officer of Jaguar Mining. His background and extensive experience in mining and project development makes him a good fit for our Company. We know Alfred will be a great contributor to unlocking the value of our gold assets".

Corporate Updates

- On August 1, 2023, the Company announced it had entered into a share purchase agreement to purchase and assume from a subsidiary of IAMGOLD Corporation, the Pitangui Project and the remaining interest in the Acurui Project, two gold mineral exploration projects located in Brazil which are close in proximity to the Company's MTL Complex and Paciencia Complex. Following completion of the Transaction, the Company will hold a 100% ownership in the Pitangui Project and the Acurui Project.
- The Company is also pleased to announce the appointment of Mr. Alfred Colas as Chief Financial Officer. Mr. Colas is a seasoned finance executive with over 20 years of experience with publicly listed mining and forestry companies and five years of experience in private-equity real estate. Mr. Colas spent over 13 years in progressively senior finance roles with [Barrick Gold Corp.](#), culminating in his 2007 assignment as finance manager at the Veladero Mine in Argentina, where he was a seminal part of the team that successfully turned around the operation. From 2010-2013, he was controller of Rainy River Resources, following which he was VP and CFO of FNI Mining. In 2015, Mr. Colas joined Potenia Solar as CFO and, after its sale, he continued as CFO of a family office focusing on senior-care investments. Later, Mr. Colas served as CFO of dual-listed silver producer, Excellon Resources, and most recently, he was CFO of GreenFirst Forest Products. Mr. Colas holds a Bachelor of Commerce degree from the University of Toronto, and he obtained his CA/CPA designation in 1995, having started his career in 1992 as an auditor with Price Waterhouse.

¹ This is a Non-GAAP financial performance measure with no standard definition under IFRS. For more details, refer to the Non-GAAP Performance Measures section of the MD&A.

Second Quarter 2023 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, may not be 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 sustaining capital and non-sustaining capital expenditures¹

Reconciliation of Free Cash Flow¹

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

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.

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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 "may," "could," "would," "might," or "will" be taken, occur or be achieved. All statements, other than statements of historical fact, may 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, may 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 June 30, 2023, is set out in the Company's second quarter 2023 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 June 30, 2023, is set out in the Company's second quarter 2023 MD&A filed on SEDAR at www.sedar.com.

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