

SEMAFO Releases Second Quarter 2013 Results

07.08.2013 | [Marketwire](#)

Cash Flow from Operating Activities Totals \$24.3 Million

MONTREAL, QUEBEC--(Marketwire - Aug 7, 2013) - SEMAFO (TSX:SMF)(OMX:SMF) today reported its financial and operating results for the three-month period ended June 30, 2013. All amounts are in US dollars unless otherwise stated.

Second Quarter 2013 in Review

- A 25% decline in the price of gold during the quarter, from \$1,598 to \$1,192, significantly impacting our financial results
- Gold production of 58,600 ounces, compared to 60,500 ounces in the same period in 2012
- Solid operational performance with production and total cash cost in line with guidance after six months
- Gold sales of \$71.1 million, a 28% decrease compared to the same period in 2012
- Non-cash impairment charges of \$67.1 million on non-core assets
- Operating loss of \$31.5 million, compared to operating income of \$12.1 million for the same period in 2012
- Net loss attributable to equity shareholders of \$46.5 million or a loss of \$0.17 per share compared to a net loss attributable to equity shareholders of \$17.5 million or a loss of \$0.06 per share for the same period in 2012
- Adjusted operating income¹ of \$16.1 million compared to \$29.1 million for the same period in 2012
- Adjusted net income¹ attributable to equity shareholders of \$12.8 million compared to \$19.4 million for the same period in 2012
- Cash flow from operating activities² of \$24.3 million or \$0.09 per share compared to \$42.6 million or \$0.16 per share for the same period in 2012
- Delineation drilling at Siou completed and on track to issue mineral reserves and resources estimate in the third quarter of 2013
- Drilling of the Siou south extension completed ahead of schedule to be included in the mineral reserves and resources estimate in the third quarter of 2013

¹ Adjusted operating income and adjusted net income attributable to equity shareholders are non-IFRS financial performance measures with no standard definition under IFRS and exclude non-recurring items. See the "Non-IFRS financial measures" section of the Corporation's MD&A, note 18.

² Cash flow from operating activities excludes changes in non-cash working capital items.

A Word from the CEO

Early in 2013, we alluded to the economic turbulence that we were anticipating during the year and thus far, it has effectively been very challenging.

Financially, it was a very difficult quarter with a significant 25% drop in the price of gold in less than three months. This has evidently affected our financial results and, at the same time, occasioned numerous industry-wide challenges. We appreciate that although our belief is that a number of fundamental factors supporting the price of gold remain firmly in place, we cannot solely rely on the gold price to generate shareholder value. This was evidenced when, in April, we saw the price of gold fall to \$1,380 per ounce and in June, gold plummeted yet again to \$1,192 per ounce.

Clearly, we have made a number of difficult decisions for our organization recently, such as no longer investing long-term money in our non-core assets and reducing our corporate office headcount by 20%. Thus far, we are satisfied with our efforts and progress to improve our costs and operating efficiencies throughout our operations.

We firmly believe that value creation is generated through the creation of future cash flow and our path is clearly set to focus on the production of quality ounces at our Mana Mine.

During the quarter we generated cash flow from operating activities of \$24.3 million, representing a decrease of \$18.3 million compared to the same period last year. This decrease is almost entirely due to the drop in the market price of gold, which is reflected in the \$244-per-ounce decline of our average realized selling price compared to the second quarter of 2012.

Operationally, the second quarter was a positive one. We achieved guidance with a total production of 58,600 ounces of gold. Total cash cost came in below guidance at \$752 per ounce. The second quarter validated our optimization efforts at Mana where, owing to activities undertaken in combination with a lower strip ratio, our cash operating cost per ounce produced decreased by 9% to \$604 per ounce. Our cash operating cost per tonne processed fell by 18% to \$36 per tonne compared to \$44 per tonne in the second quarter of 2012.

On the exploration side, the table has been set and as part of our value creation strategy, our focus remains on the high grade Siou Sector. Infill drilling has been completed, demonstrating good continuity and extending the mineralization. Preparation of the Siou Sector reserves and resources estimates is progressing according to plan and is scheduled for September 2013.

As stated earlier in the year, as part of our focus on quality ounces, our top priority is to fast-track the development of the Siou Sector. Precedence was placed on drilling the near surface portion of the deposit, down to approximately 150 meters. In the second quarter additional steps were taken to accomplish this goal with the advancement and completion of the drilling program on the Siou south sector, which was originally scheduled for the fourth quarter of 2013. Results confirmed continuity, grade and extension of the mineralization further to the south. The completion of this program in the second quarter will allow us to include these results in our upcoming reserves and resources update.

We have completed and filed the Siou environmental impact study and are on track to begin the permitting process in the fourth quarter of 2013. Based on the estimated time required to acquire the necessary permits, we expect to be in a position to begin stripping activities in the third quarter of 2014, three months earlier than originally scheduled.

Earlier in the year, we made reference to the consideration of strategic alternatives for our non-core assets, the Samira Hill and Kiniero mines. The recent drop in the price of gold has further impacted these two properties, which continue to be extremely sensitive to additional downturns in the gold price or technical parameters. Accordingly, the Corporation recorded a non-cash impairment of \$32.8 million as we have decided to wind down operations to an eventual care and maintenance status at our Kiniero mine in Guinea during the second half of the year. The drop in gold price also led to an additional non-cash impairment charge of \$14.7 million in this second quarter relating to the Samira Hill mine.

In July, we entered into a heads of agreement for the sale of our interest in the Samira Hill mine. Several conditions will have to be met prior to the closing of the transaction, which is scheduled to take place prior to September 30, 2013. Once again, these decisions are in keeping with our Corporation's strategy, which is focused on cash flow, not solely on the number of ounces produced.

We made considerable progress on the implementation of our strategic plan in the second quarter of 2013. Our focus on quality ounces is clear with the advancement of the Siou Sector and our decisions regarding non-core assets. We have cut our corporate overhead and anticipate further reductions in expenditures as a result of an ongoing company-wide review with the objective to streamline the organization, while maintaining efficiency.

Accordingly, we will continue to focus on disciplined capital allocation and optimization programs. Today, we

are pleased with what we have accomplished throughout the entire organization and we intend to make sure that we remain focused on our priorities.

SEMAFO is maintaining its annual production and total cash cost guidance of between 153,000 -168,000 ounces at a total cash cost of \$805 - \$855 per ounce at the Mana mine. Guidance will not be maintained for the Kiniero and Samira Hill mines, as the Corporation's winds down operations to an eventual care and maintenance status at these two non-core assets.

SEMAFO's Consolidated Financial Statements and Management's Discussion and Analysis and other relevant financial materials are available in the Investor Relations section of the Corporation's website at www.semafo.com. These and other corporate reports are also available on the website maintained by the Canadian Securities regulators at www.sedar.com.

Consolidated Results and Mining Operations

	Three-month period ended June 30,			Six-month period ended June 30,		
Operating Highlights	2013	2012 ⁶	Variation	2013	2012 ⁶	Variation
Gold ounces produced	58,600	60,500	(3 %)	118,300	121,400	(3 %)
Gold ounces sold	51,900	60,900	(15 %)	117,300	119,600	(2 %)
(in thousands of dollars, except amounts per ounce, per tonne and per share)						
Revenues - Gold sales	71,136	98,376	(28 %)	177,191	198,777	(11 %)
Mining operating expenses (excluding government royalties)	35,309	41,646	(15 %)	81,433	78,888	3 %
Government royalties	3,706	5,070	(27 %)	9,253	10,147	(9 %)
Write-off of property, plant and equipment	-	16,998	-	-	16,998	-
Impairment	47,526	-	-	82,626	-	-
Operating income (loss)	(31,460)	12,102	-	(33,135)	50,146	-
Impairment of investment in GoviEx	19,600	-	-	19,600	-	-
Loss on sale of current investment	-	24,297	-	-	24,297	-
Income tax expense	2,384	3,060	(22 %)	12,669	9,249	37 %
Net income (loss) attributable to equity shareholders	(46,475)	(17,515)	(165 %)	(53,765)	10,591	-
Cash flow from operating activities ¹	24,280	42,600	(43 %)	63,078	81,753	(23 %)
Basic earnings (loss) per share	(0.17)	(0.06)	(165 %)	(0.20)	0.04	-
Diluted earnings (loss) per share	(0.17)	(0.06)	(165 %)	(0.20)	0.04	-
Operating cash flow per share ²	0.09	0.16	(44 %)	0.23	0.30	(23 %)
Adjusted operating income ³	16,066	29,100	(45 %)	49,491	67,144	(26 %)
Adjusted net income attributable to equity shareholders ³	12,787	19,403	(34 %)	33,577	47,509	(29 %)
Adjusted basic earnings per share ³	0.05	0.07	(29 %)	0.12	0.17	(29 %)
Average realized selling price (per ounce)	1,371	1,615	(15 %)	1,511	1,662	(9 %)
Cash operating cost (per ounce produced) ⁴	704	685	3 %	699	652	7 %
Cash operating cost (per tonne processed) ⁴	34	36	(6 %)	34	35	(3 %)
Total cash cost (per ounce sold) ⁵	752	767	(2 %)	773	738	5 %

¹ Cash flow from operating activities excludes changes in non-cash working capital items.

² Operating cash flow per share is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of the Corporation's MD&A, note 18.

³ Adjusted operating income, adjusted net income attributable to equity shareholders and adjusted basic earnings per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial measures" section of the Corporation's MD&A, note 18.

⁴ Cash operating cost is a non-IFRS financial performance measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of the Corporation's MD&A, note 18.

⁵ Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mining operation expenses and government royalties per ounce sold.

⁶ Amounts have been restated for the adoption of IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*. Please refer to note 4 of the financial statements.

SEMAFO's senior management will host a conference call to discuss the second quarter financial and operational results, as well as to provide an update on the Corporation's activities.

Conference Call: Date: Wednesday, August 7, 2013
Time: 10:00 AM (EDT)
Tel. local & overseas: +1 (416) 981 9000
Tel. North America: 1 (800) 763 1505

The conference call will be archived for replay until August 27, 2013. To access the archived conference call, please dial 1 (800) 558-5253 and enter pass code 21668070 followed by the number sign (#).

A live audio webcast of the conference will be accessible through SEMAFO's website at www.semafo.com. The webcast will be available for replay for a period for 30 days.

About SEMAFO

SEMAFO is a Canadian-based mining company with gold production and exploration activities in West Africa. The Corporation currently operates three gold mines: the Mana Mine in Burkina Faso, the Samira Hill Mine in Niger and the Kiniero Mine in Guinea. SEMAFO is committed to evolve in a conscientious manner to become a major player in its geographical area of interest. SEMAFO's strategic focus is to maximize shareholder value by effectively managing its existing assets as well as pursuing organic and strategic growth opportunities.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. Forward-looking statements include words or expressions such as "guidance", "on-track", "to be", "progress", "believe", "creation", "future", "scheduled", "fast-track", "goal", "will", "expect", "strategy", "anticipate", "objective", "maintaining", "eventual", "committed", "evolve", "become", "pursuing", "growth", "opportunities" and other similar words or expressions. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include the ability to improve our costs and operating efficiencies throughout our operations, the ability to create future cash flow, the ability to release our mineral reserves and resources estimate in the third quarter of 2013, the ability to fast-track the development of the Siou Sector, the ability to begin the Siou permitting process in the fourth quarter of 2013, the ability to begin stripping activities at Siou in the third quarter of 2014, the ability to close the Samira Hill Mine transaction, the ability to further reduce expenditures while maintaining efficiency, the ability to meet our annual production and total cash cost guidance of between 153,000 - 168,000 ounces at a total cash cost of \$805 - \$855 per ounce at the Mana mine, the ability to wind down operations at the Samira Hill and Kiniero mines to a care and maintenance status, the ability to execute on our strategic focus, fluctuation in the price of currencies, gold or operating costs, mining industry risks, uncertainty as to calculation of mineral reserves and resources, delays, political and social stability in Africa (including our ability to maintain or renew licenses and permits) and other risks described in SEMAFO's documents filed with Canadian securities regulatory authorities. You can find further information with respect to these and other risks in SEMAFO's 2012 Annual MD&A, as updated in SEMAFO's 2013 First Quarter MD&A and 2013 Second Quarter MD&A, and other filings made with Canadian securities regulatory authorities and available at www.sedar.com. These documents are also available on our website at www.semafo.com. SEMAFO disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

The above information has been made public in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act.

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