

Leagold Announces Q1 2019 Results, Including AISC of \$927/oz and AISC Margin of \$38 Million

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(All amounts in US dollars, unless otherwise indicated)

Q1 2019 Highlights include:

- Gold production of 105,949 ounces and sales of 107,546 ounces;
- All-in sustaining costs (AISC)¹ of \$927 per ounce of gold sold;
- EBITDA¹ of \$38.4 million;
- Net income of \$3.2 million; and
- Cash balance of \$65.2 million at March 31, 2019

VANCOUVER, May 7, 2019 - [Leagold Mining Corp.](#) (TSX:LMC; OTCQX:LMCNF) ("Leagold" or the "Company") reports financial and operating results with consolidated gold production of 105,949 ounces (oz) at AISC of \$927 per oz sold, an AISC margin of \$38.0 million. These results generated Q1 2019 earnings from mine operations of \$25.6 million and \$38.4 million.

Table 1: Highlights for Q1 2019 compared to Q4 2018

	Unit	Three months ended	
		Mar 31, 2019	Dec 31, 2018
Gold production	oz	105,949	93,761
Gold sales	oz	107,546	90,004
Total revenue	\$millions (\$m)	\$138.1	\$110.3
Earnings from mine operations	\$m	\$25.6	\$18.1
EBITDA	\$m	\$38.4	\$13.4
Net income	\$m	\$3.2	\$1.3
All-in sustaining costs (AISC) ¹	\$/oz sold	\$927	\$962
AISC margin ¹	\$m	\$38.0	\$23.6
Cash balance	\$m	\$65.2	\$53.0

Gold production in Q1 2019 totalled 105,949 oz and sales were 107,546 oz, representing 13% and 19% increases, respectively, over Q4 2018. Both the Los Filos and Fazenda mines reported strong operating results in Q1 2019, while RDM implemented power infrastructure and Pilar continued with optimization efforts. With increased revenue and strong cost controls in Q1 2019, Leagold's AISC margin increased by 61% to \$38.0 million and earnings from mine operations increased by 41% to \$25.6 million compared to Q4 2018.

¹ AISC, AISC margin and EBITDA are non-IFRS financial performance measures with no standard meaning under IFRS. AISC includes cash costs, royalties, land access and community payments, and sustaining capital.

Table 2: Cost Details for Q1 2019 compared to Q4 2018 (\$000s)

	Three months ended	
	Mar 31, 2019	Dec 31, 2018
Gold revenue	137,695	110,170
Mining costs – open pit	16,864	10,411
Mining costs – underground	26,289	28,451
Processing costs	35,453	33,595
Site general and administration costs	11,038	10,238
Change in inventory	(2,722)	(9,593)
Other	1,452	1,143
Total cash costs ¹	88,374	74,245
Land access payments	4,024	3,680
Royalties	1,546	1,133
Sustaining capital ¹	3,955	5,869
Sustaining capital ¹ – stripping costs	1,809	1,614
Total AISC ¹	99,708	86,541
AISC margin ¹	37,987	23,629
Cash costs ¹ (\$/oz sold)	822	825
AISC ¹ (\$/oz sold)	927	962

¹ Cash costs, sustaining capital, AISC, and AISC margin are non-IFRS financial performance measures with no standard meaning under IFRS. AISC includes cash costs, royalties, land access and community payments, and sustaining capital.

Table 3: Mine by Mine Production, Sales and Cost Details for Q1 2019

	Los Filos	Fazenda	RDM	Pilar	Total
Gold production (oz)	64,028	18,675	13,835	9,411	105,949
Gold sales (oz)	65,861	18,927	13,451	9,307	107,546
All-in sustaining costs (\$/oz sold) ¹	797	808	1,419	1,379	927

¹ AISC is a non-IFRS financial performance measure with no standard meaning under IFRS. AISC includes cash costs, royalties, land access and community payments, and sustaining capital.

At the Los Filos mine complex in Mexico, production of 64,028 oz in Q1 2019 was up 10% over Q4 2018 and 26% over Q1 2018, setting a new quarterly production record since acquisition. AISC of \$797 per oz sold was a 10% improvement over Q4 2018 and a 23% improvement over Q1 2018, primarily related to higher sales.

Los Filos underground is now producing at over 1,900 tpd with costs below \$80 per tonne of ore for the last three quarters, compared to 1,100 tpd at \$98 per tonne in Q1 2018. Total tonnes mined and unit mining costs from the open pits were in line with Q4 2018.

Heap leach pad improvements included the benefits from the ongoing program of lime addition and solution control, which has successfully maintained the pH of the leach solution and resulted in a reduction of cyanide consumption and a subsequent improvement in gold recovery. Higher grade underground ore continued to be stacked in a separate area to maximize gold extraction and enable a reduced lag time for high-grade solution to report to the pregnant solution pond. These changes allow gold to report directly to the carbon adsorption circuit and is therefore available to be poured within the month it is stacked.

At the Fazenda mine in Brazil, Q1 2019 production totalled 18,675 oz, consistent with Q4 2018. AISC of \$808 per oz sold was a 13% improvement compared to Q4 2018, reflecting lower mining costs and reduced sustaining capital spending. Leagold focused on optimizing throughput capacity of the plant in Q1 2019 using higher-grade material from both open pit and underground mining. In February 2019, an underground blasting accident occurred at the Fazenda mine involving five employees, two of whom suffered fatal injuries.

At the RDM mine in Brazil, Q1 2019 production totalled 13,835 oz as mining rates improved to 58,014 tpd and the mill feed was supplemented by additional ore from low-grade stockpiles. AISC remained high due to reliance on costly diesel power and lower than anticipated recoveries of 80%. The installation of the remaining towers for the powerline was completed in Q1 2019, and on March 30, 2019 power at RDM was switched over from diesel generators to grid power. This is expected to reduce annual power costs and improve mill availability and performance which includes achieving a finer grind size and higher throughput, plus increased gold recovery rates. As operations stabilize following the completion of the powerline project, both production and costs are expected to improve through the remainder of the year. Recovery rates in April improved to 85% and production increased to 6,308 oz for the month.

Also during Q1 2019, a three-metre downstream raise and lining on the tailings embankment was completed at RDM. Water in the reservoir continued to accumulate in Q1 2019, and RDM is expected to have sufficient water to support stable and continuous operations through to the start of the next rainy season.

At the Pilar mine in Brazil, Q1 2019 production of 9,411 oz reflected lower tonnages transported from the underground mine. The mining contractor at Pilar was replaced due to poor performance and low equipment availabilities, which required plant throughput to be supplemented with low-grade stockpiles and brought down the average grade.

Financial Results

Leagold reported total revenue of \$138.1 million, earnings from mine operations of \$25.6 million, and net earnings of \$3.2 million in Q1 2019, as detailed in Table 4.

Table 4: Leagold's Financial Results for the Three Months Ended March 31, 2019

	Three months ended	
	Mar 31, 2019	Mar 31, 2018
\$000s		
Total revenue	138,115	68,073
Operating expenses	93,319	49,199
Depreciation and depletion	17,679	7,836
Royalties	1,546	545
Earnings from mine operations	25,571	10,493
Share-based payments	3,738	59
Acquisition and restructuring costs	-	1,792
General and administration costs	2,278	1,674
Foreign exchange loss	(595)	(824)
Interest expense on loan facilities	5,687	3,261
Finance and accretion expense	3,202	327
Other income	(538)	(660)
Earnings before taxes	11,799	4,864
Current income tax expense	580	5,112
Deferred income tax expense	8,042	10,506
Net earnings/(loss)	3,177	(10,754)
Basic and diluted earnings/(loss) per share	0.01	(0.07)
Basic and diluted earnings before taxes per share	0.04	0.03

Supporting Documents

Leagold's Q1 2019 financial statements and related MD&A are available on SEDAR and in the Investor Relations section of Leagold's website [here](#).

Conference Call

A conference call and live webcast will be held on May 8, 2019 at 8am PDT/11am EDT. Participants may dial in to the call using the numbers below (no access code is needed).

Toll free Canada/US: 1-800-319-4610

International: +1-604-638-5340

The webcast can be accessed through the following link:
<http://services.choruscall.ca/links/leagold201905.html>

The conference call will be available for playback until May 30, 2019 by dialling 1-800-319-6413 (toll free Canada/US) or +1-604-638-9010 (international), quoting access code 3078. The webcast playback will be available on Leagold's website [here](#).

About Leagold Mining Corporation

Leagold is a mid-tier gold producer with a focus on opportunities in Latin America. The Company is based in Vancouver, Canada and owns four operating gold mines in Mexico and Brazil, along with an expansion opportunity in Mexico and a near-term gold mine restart project in Brazil. Leagold is listed on the TSX under the trading symbol "LMC" and trades on the OTCQX market as "LMCNF".

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This news release contains "forward looking information" or "forward looking statements" within the meaning of applicable securities legislation. All statements other than statements of historical fact, included herein, including without limitation, statements related to the anticipated benefits to be derived from the use of grid power. The material factors or assumptions used to develop forward looking information or statements are disclosed throughout this document.

Forward looking information and forward looking statements, while based on management's best estimates and assumptions, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Leagold to be materially different from those expressed or implied by such forward-looking information or forward looking statements, including but not limited to: fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables and other risks of the mining industry, as well as those factors discussed in the section entitled "Description of the Business & Risk Factors" in Leagold's most recent AIF available on SEDAR at www.sedar.com.

Although Leagold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information or statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements. The Company has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking information and forward-looking statements and to the validity of the information, in the period the changes occur. The forward-looking statements and forward-looking information are made as of the date hereof and Leagold disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or forward-looking information contained herein to reflect future results. Accordingly, readers should not place undue reliance on forward-looking statements and information.

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