

Andean Precious Metals Issues 2021 Guidance Following Strong Growth in Revenue and Profitability in 2020

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Toronto, May 3, 2021 - [Andean Precious Metals Corp.](#) (TSXV: APM) ("Andean" or the "Company"), a precious metals production, development and exploration company today reported its operational and financial results for the fourth quarter and year ended December 31, 2020, and issued guidance for fiscal 2021. The Company's common shares began trading on the TSX Venture Exchange as a tier-one issuer on March 29, 2021. All amounts are expressed in U.S. dollars unless indicated otherwise.

FY2020 Highlights

- Production of 5.9 million silver equivalent ounces⁽¹⁾ at an all-in sustaining cost of \$14.75 per ounce from the wholly owned 1.65 Mtpa San Bartolomé processing plant.
- Sales of 6.0 million silver equivalent ounces⁽¹⁾
- Revenues of \$130.7 million
- Free cash flow⁽²⁾ of \$35.5 million

FY2021 Guidance Highlights

- Production of 5.8 to 6.1 million silver equivalent ounces
- AISC of \$17.50 to \$19.50/silver oz sold on a by-product basis⁽³⁾

Operational and Financial Results

Financial Performance ⁽⁴⁾	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenue	\$55.6	\$23.0	\$130.7	\$88.7
Cost of sales	\$32.8	\$19.0	\$82.7	\$76.6
Income (loss) from mine operations	\$20.5	\$0.3	\$37.6	\$(3.1)
Net income (loss)	\$39.0	\$(3.3)	\$46.0	\$(12.8)
Net income (loss) per share (basic and diluted)	\$0.33	\$(3,346)	\$1.50	\$(12,801)
Operating cash flow	\$23.9	\$4.3	\$37.4	\$11.1
Free cash flow ⁽²⁾	\$23.2	\$3.9	\$35.5	\$7.5
EBITDA ⁽²⁾	\$22.7	\$1.4	\$41.1	\$4.6
Ending cash and cash equivalents	\$38.5	\$14.1	\$38.5	\$14.1
Capital expenditures	\$0.7	\$0.4	\$2.2	\$3.6
Cash operating costs ("COC") ⁽²⁾	\$13.68	\$15.15	\$13.06	\$13.98
All-in sustaining costs ("AISC") ⁽²⁾	\$15.18	\$16.98	\$14.75	\$16.21

Luis da Silva, the Company's President and CEO stated, "Fiscal 2020 year was an impressive year for Andean Precious Metals. Our strong cash generation demonstrates the importance of our flagship San Bartolomé operation as a significant primary silver producer even in a volatile price environment and despite the impact of COVID-19 on the operations. We look forward to building on the success of the team during 2021 and beyond, now as a publicly-traded company."

Revenue for the fourth quarter of 2020 was \$55.6 million compared to \$23.0 million in the fourth quarter of 2019. Revenue growth was attributable to an increase in silver sales volumes of 60% to 2.0 million ounces in 2020 as well as higher realized prices of \$24.99 per ounce of silver in 2020 compared with \$18.31 per ounce of silver for the fourth quarter of 2019. Cost of sales, including royalty expenses, remained consistent with the increase in sales volumes and commodity prices, rising from \$19.0 million in the fourth quarter of 2019 to \$32.8 million in the fourth quarter of 2020, representing an increase of 72%. As a result, income from mine operations increased from \$0.3 million in the fourth quarter of 2019 to \$20.5 million in the fourth quarter of 2020.

During the fourth quarter of 2020, due to the impact of rising silver prices, the Company recognized a deferred tax recovery of \$19.0 million related to the expected utilization of accumulated tax loss carryforwards in Bolivia. Overall, net income for the fourth quarter of 2020 was \$39.0 million compared to a net loss of \$3.3 million in the fourth quarter of 2019.

Operational Performance	Q4 2020	Q4 2019	FY 2020	FY 2019
Mined ore (k dmt)	647	614	2,235	1,736
Average ore mined grade (Ag g/t)	102.9	87.4	95.7	74.6
Purchased ore (k dmt)	169	116	421	690
Average purchased ore grade (Ag g/t)	194.1	220.1	219.6	256.0
Ore milled (k dmt)	421	361	1,484	1,512
Daily average throughput (k dmt)	4,725	4,687	4,667	4,745
Average head grade (Ag g/t)	140.4	127.6	131.6	122.9
Silver recovery (%)	83.7	89.0	87.2	87.9
Silver production (k ozs)	1,588	1,318	5,473	5,246
Silver equivalent production (k ozs)	1,754	1,318	5,896	5,531
Silver sales (k ozs)	2,011	1,255	5,516	5,196
Silver equivalent sales (k ozs)	2,224	1,255	6,006	5,440

Outlook and Guidance

The Company's objectives in fiscal 2021 are to continue to process its surface deposits at the San Bartolomé (inclusive of Antuco, Santa Rita and Huacajchi) and Cachi Laguna areas, as well as reclaiming silver bearing mine waste stockpiles under contract with COMIBOL at El Asiento and Tatasi-Portugalete. The Company will also continue to purchase ore from its community mining partners.

The Company seeks to expand its mine life by completing a technical study on the economic viability of reprocessing approximately 10 million tonnes contained in its tailings facilities, estimated from Manquiri's production records to contain silver and tin grades of approximately 40 grams per tonne silver and 0.25% tin, respectively. Additionally, the Company commenced exploration activities on its San Pablo and Rio Blanco properties in February 2021. At San Pablo, a 10,000m diamond drilling program is underway, while mapping, IP and geophysical studies will begin in the second quarter of 2021 at Rio Blanco. Further, San Bartolomé is the only large-scale commercial oxide processing plant in the country, which the Company is leveraging to expand its third-party ore sourcing business. In tandem, the Company is assessing acquisition opportunities in South and Central America.

Mr. da Silva continued, "The Company is focused on expanding its mineral resource inventory within Bolivia by continuing to build on its strong relationship with COMIBOL, and outside Bolivia using its management expertise and strong balance sheet."

By mid-2021, the Company expects to complete the mining and processing of remaining mineral reserves in the Antuco area, moving production to the Santa Rita and Huacajchi areas. In addition, the Company plans to begin production at the higher grade Tatasi-Portugalete area by mid-2021. Production will continue to be mined from the El Asiento area and purchased through existing contracts with RALP and local miners.

The Company's production for fiscal 2021 is expected to result in silver equivalent production of 5.8 to 6.1 million ounces at an AISC of \$17.50 to \$19.50 per silver ounce sold, on a by-product basis. Andean's assumed commodity prices supporting this estimate are \$24.00/ounce silver and \$1,750/ounce gold.

AISC compared to fiscal 2020 is expected to rise as a result of the Company's royalties and other costs linked to commodity prices. Additional general and administrative costs are also expected as a result of regulatory compliance activities from the Company's recent listing on the TSX-V.

Qualified Person Statement

Donald J. Birak, Registered Member SME and Fellow AusIMM and independent qualified person as defined under NI 43-101, has reviewed and approved the scientific and technical information presented herein.

About Andean Precious Metals Corp.

Andean Precious Metals (TSXV: APM) is a Canadian, growth-focused silver producer operating in Bolivia. The Company produced 5.9M silver equivalent ounces in 2020 at an all-in sustaining cost of \$14.75 USD per ounce from its own mineral claims, contracts with the state mining company of Bolivia (COMIBOL), and from a high margin third-party ore sourcing business. All processing takes place at the Company's 1.65M tonne per year San Bartolomé plant which has the capacity to produce silver doré bars. Andean Precious Metals is committed to fostering safe, sustainable and responsible operations. For more information, please visit www.andeanpm.com.

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Caution Regarding Forward-Looking Statements

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"), including statements regarding the plans, intentions, beliefs and current expectations of Andean with respect to future business activities and operating performance. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions.

Investors are cautioned that forward-looking statements are not based on historical facts but instead reflect Andean's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Andean believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed thereon, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of Andean. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws and regulations both locally and in foreign jurisdictions; compliance with extensive government regulation; the risks and uncertainties associated with foreign markets. These forward-looking statements may be affected by risks and uncertainties in the business of Andean and general market conditions, including COVID-19.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Andean has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. Andean does not intend, and do not assume any obligation, to update the forward-looking statements except as otherwise required by applicable law.

(1) Silver equivalent ounces include gold ounces produced or sold and are converted to a silver equivalent based on a ratio of realized silver and gold prices during the periods discussed.

(2) Free cash flow, EBITDA, COC and AISC are measures of financial performance with no prescribed definition under IFRS. Please refer to the Company's Management Discussion and Analysis for the year ended December 31, 2020 filed at www.sedar.com for a reconciliation of these items to the Company's financial statements.

(3) Andean's commodity price assumptions are US\$24.00/oz Ag and US\$1,750/oz Au.

(4) Figures are presented in US millions, other than COC, AISC and per share figures.

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