

# Orvana Reports Q1 2019 Financial Results; Consistent Performance in Line With Guidance; Efforts to Improve Unit Costs Underway

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All Amounts in US Dollars Unless Otherwise Stated

First Quarter of Fiscal 2019 Highlights:

- Quarterly gold production of 27,272 ounces and copper production of 1.4 million pounds;
- Consolidated COC and AISC of \$1,025 and \$1,161, respectively;
- EBITDA of \$4.4 million;
- Revenue of \$36.3 million; and
- Cash balance of \$8.3 million as of December 31, 2018.

TORONTO, Feb. 12, 2019 - [Orvana Minerals Corp.](#) (TSX:ORV) (the "Company" or "Orvana") announced today financial and operational results for the first quarter of fiscal 2019 ("Q1 2019"). The Company is also providing financial and operational updates for its El Valle and Carlés Mines (collectively, "El Valle") operations in northern Spain, and for its Don Mario Mine operations in Bolivia.

The audited consolidated financial statements for Fiscal 2018 ("2018 Financials") and Management's Discussion and Analysis related thereto ("2018 MD&A") are available on SEDAR and on the Company's website at [www.orvana.com](http://www.orvana.com).

The Company is pleased to report the following positive developments in Q1 2019:

- El Valle &ndash; Consistent performance:

El Valle delivered 7% higher gold production (16,546 oz) in the first quarter of fiscal 2019 compared to the fourth quarter of fiscal 2018 (15,490 oz), due to 6% grade increase. The ratio of oxides ore processed in the mill was at the level of 41% and mechanical advance rates in oxides areas reached 1,906 meters in the first quarter of fiscal 2019.

- Don Mario &ndash; Life of mine extension underway:

Don Mario delivered 19% lower gold production (10,726 oz) in the first quarter of fiscal 2019 compared to the fourth quarter of fiscal 2018, due to a lower head-grade area mined, according to plan and is on track to meet fiscal 2019 guidance. Fiscal 2019 ore will continue to be sourced from the Cerro Felix pit and processed at a high recovery rate achieved by the re-commissioned CIL circuit.

The Company is fully committed with the life of mine extension:

• Next focus for life of mine extension is processing the existing oxides stockpile. This undertaking will require the implementation of a SART circuit, subject to the completion of technical reviews supportive of the project and securing the required financing. The SART circuit, together with the existing flotation and CIL-CIC circuits, best positions Don Mario for a longer mine life based on processing flexibility.

• Brownfield and greenfield exploration continues around Don Mario and Cerro Felix mines, in the Cristal schist belt and in Eastern schist belt.

• An evaluation of re-processing tailings is in progress to determine the viability of recovering gold from material deposited in the tailings impoundment since the commencement of production at Don Mario.

- Longer term financing structure:

As previously disclosed, in the first quarter of fiscal 2019, the Company obtained approval from three Spanish financial institutions to a syndicated credit facility. Subsequent to December 31, 2018, the Company, through its wholly-owned subsidiary OroValle, closed the facility for a total amount of €6 million. The facility term (four years) is aligned with Orovalle's operational strategy.

Concurrent with the closing, Orvana repaid in full the Samsung C&T Prepayment Facility, originally entered into in August 2016.

Juan Gavidia, CEO of Orvana Minerals stated: "I am very satisfied that both operations have reached a level of operational outcomes that achieves quarterly targets, while keeping safety and environmental sustainability first. Operational stability is now allowing us to focus on building shareholder value through unit costs reduction and life of mine extensions."

#### Selected Operational and Financial Information

	Q1 2019	Q4 2018	Q1 2018	FY 2018
<b>Operating Performance</b>				
<b>Gold</b>				
Grade (g/t)	2.54	2.72	2.57	2.61
Recovery (%)	93.7	92.3	89.8	91.7
Production (oz)	27,272	28,661	23,172	103,384
Sales (oz)	27,466	28,044	21,995	102,018
Average realized price / oz	\$1,226	\$1,208	\$1,269	\$1,273
<b>Copper</b>				
Grade (%)	0.48	0.51	0.64	0.60
Recovery (%)	75.9	81.6	63.1	65.9
Production ('000 lbs)	1,375	1,291	2,759	8,233
Sales ('000 lbs)	1,400	1,231	2,700	8,687
Average realized price / lb	\$2.81	\$2.81	\$2.82	\$2.89
<b>Financial Performance (in 000's, except per share amounts)</b>				
Revenue	\$36,318	\$36,298	\$34,170	\$145,836
Mining costs	\$30,595	\$30,632	\$28,060	\$120,946
Gross margin	\$865	\$3,019	\$458	\$3,156
Net loss	(\$1,060)	(\$1,231)	(\$3,379)	(\$11,097)
Net loss per share (basic/diluted)	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.08)
EBITDA <sup>(1)</sup>	\$4,449	\$1,165	\$4,182	\$13,750
Operating cash flows before non-cash working capital changes	\$4,169	\$3,049	\$2,086	\$11,864
Operating cash flows	\$3,366	\$1,129	\$2,147	\$1,800
Ending cash and cash equivalents	\$8,325	\$11,634	\$20,617	\$11,634
Capital expenditures <sup>(2)</sup>	\$1,763	\$3,051	\$6,207	\$20,338
Cash operating costs (by-product) (\$/oz) gold <sup>(1)</sup>	\$1,025	\$1,003	\$999	\$1,021
All-in sustaining costs (by-product) (\$/oz) gold <sup>(1)(2)</sup>	\$1,161	\$1,187	\$1,253	\$1,259

(1) Earnings before interest, taxes, depreciation and amortization ("EBITDA"), cash operating costs and all-in sustaining costs are non-IFRS performance measures.

(2) Each reported period excludes capital expenditures incurred in the period which will be paid in subsequent periods, and includes capital expenditures incurred in prior periods and paid for in the applicable reporting period. The calculation of AISC includes capex incurred (paid and unpaid) during the period.



About Orvana Minerals Orvana is a multi-mine gold-copper-silver company. Orvana's operating assets consist of the producing El Valle and Carlés gold-copper-silver mines in northern Spain and the producing Don Mario gold-silver operations in Bolivia. Additional information is available at Orvana's website ([www.orvana.com](http://www.orvana.com)).

#### Cautionary Statements - Forward-Looking Information

Certain statements in this information constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, potentials, future events or performance (often, but not always, using words or phrases such as "believes", "expects", "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might", "will" or "are projected to" be taken or achieved) are not statements of historical fact, but are forward-looking statements.

The forward-looking statements herein relate to, among other things, Orvana's ability to achieve improvement in free cash flow; the potential to extend the mine life of El Valle and Don Mario beyond their current life-of-mine estimates including specifically, but not limited to in the case of Don Mario, the mining of the Cerro Felix deposit, the processing of the mineral stockpiles (including the implementation of the SART circuit) and the reprocessing of the tailings material; Orvana's ability to optimize its assets to deliver shareholder value; the Company's ability to optimize productivity at Don Mario and El Valle; estimates of future production, operating costs and capital expenditures; mineral resource and reserve estimates; statements and information regarding future feasibility studies and their results; future transactions; future metal prices; the ability to achieve additional growth and geographic diversification; future financial performance, including the ability to increase cash flow and profits; future financing requirements; and mine development plans.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this information, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in Orvana's most recently filed Management's Discussion & Analysis and Annual Information Form in respect of the Company's most recently completed fiscal year (the "Company Disclosures") or as otherwise expressly incorporated herein by reference as well as: there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; permitting, development, operations, expansion and acquisitions at El Valle and Don Mario being consistent with the Company's current expectations; political developments in any jurisdiction in which the Company operates being consistent with its current expectations; certain price assumptions for gold, copper and silver; prices for key supplies being approximately consistent with current levels; production and cost of sales forecasts meeting expectations; the accuracy of the Company's current mineral reserve and mineral resource estimates; and labour and materials costs increasing on a basis consistent with Orvana's current expectations.

A variety of inherent risks, uncertainties and factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company and its business, and could cause actual events or results to differ materially from estimated or anticipated events or results expressed or implied by forward looking statements. Some of these risks, uncertainties and factors include fluctuations in the price of gold, silver and copper; the need to recalculate estimates of resources based on actual production experience; the failure to achieve production estimates; variations in the grade of ore mined; variations in the cost of operations; the availability of qualified personnel; the Company's ability to obtain and maintain all necessary regulatory approvals and licenses; the Company's ability to use cyanide in its mining operations; risks generally associated with mineral exploration and development, including the Company's ability to continue to operate the El Valle and/or Don Mario and/or ability to resume long-term operations at the Carlés Mine; the Company's ability to successfully implement the SART circuit to process the current oxides stockpiles at Don Mario; the Company's ability to acquire and develop mineral properties and to successfully integrate such acquisitions; the Company's ability to execute on its strategy; the Company's ability to obtain financing when required on terms that are acceptable to the Company; challenges to the Company's interests in its property and mineral rights; current, pending and proposed legislative or regulatory developments or

changes in political, social or economic conditions in the countries in which the Company operates; general economic conditions worldwide; and the risks identified in the Company's disclosures. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements and reference should also be made to the Company's Disclosures for a description of additional risk factors.

Any forward-looking statements made in this information with respect to the anticipated development and exploration of the Company's mineral projects are intended to provide an overview of management's expectations with respect to certain future activities of the Company and may not be appropriate for other purposes.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and, except as required by law, the Company does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Readers are cautioned not to put undue reliance on forward-looking statements.

Contact

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