

TMAC Resources Announces Record Low Cash Costs and AISC and Its First Positive Earnings in Q1-2019

01.05.2019 | [Business Wire](#)

[TMAC Resources Inc.](#) (TSX: TMR) (“TMAC” or the “Company”) is pleased to report first quarter 2019 financial results. All amounts are in Canadian dollars unless otherwise indicated.

Jason Neal, President and Chief Executive Officer of TMAC, stated, “TMAC continues to grow our cashflow with record revenue of \$67.9 million and record low AISC⁽¹⁾ and Cash Costs⁽¹⁾ of US\$992 per ounce and US\$658 per ounce respectively. The Company is also very pleased to report our first ever positive earnings, which for the first quarter was \$0.06 per share. With the strengthening of operations, subsequent to quarter-end, TMAC and Sprott amended the terms of our credit agreement to provide additional financial flexibility through elimination of certain covenants and all principal repayments until April 2020, which eliminates US\$26 million of principal amortization in this period, and thereafter amortization has been reduced to US\$2.5 million per quarter commencing on April 1, 2020, less than half the previous amortization amount.”

FIRST QUARTER 2019 FINANCIAL HIGHLIGHTS

- Gold production and sales 40,050 ounces produced, 39,200 ounces sold
- Gross revenues \$67.9 million
- Average realized gold price \$1,731 per ounce (US\$1,302 per ounce)
- Cash Costs⁽¹⁾ US\$658 per ounce of gold sold
- Cost of sales⁽²⁾ US\$962 per ounce of gold sold
- All-in Sustaining Costs (“AISC”)⁽¹⁾ US\$992 per ounce of gold sold
- Adjusted EBITDA⁽¹⁾ \$28.6 million
- Net profit \$7.2 million
- Net profit per share \$0.06 per share on a basic and fully diluted basis
- Cash flows from operations \$35.4 million
- Sustaining capex⁽¹⁾ \$12.3 million
- Expansion capex⁽¹⁾ \$5.8 million
- Cash on hand \$54.2 million at March 31, 2019, including:

\$25.6 million of unrestricted cash

\$28.6 million of restricted cash

- Principal repayments \$11.6 million (US\$8.8 million)
- Debt balance \$151.7 million (US\$117.0 million)

(1) Refer to the “Non- IFRS Measures” and associated MD&A for a description and calculation of these measures.

(2) Includes depreciation

BALANCE SHEET AND CASH MANAGEMENT

On April 30, 2019, TMAC entered into an amendment to the credit agreement with the Sprott lenders. The amendment eliminates all remaining principal payments for 2019 and for the first quarter of 2020, totalling US\$26 million (approximately \$35 million), and reduces and reschedules quarterly principal payments for 2020 to US\$2.5 million per quarter, commencing April 1, 2020, with the remaining principal balance due on

December 31, 2020. TMAC has the option to extend the term by six months to June 30, 2021. Refer to TMAC's news release that summarizes the amendment to the credit agreement, issued on April 30, 2019 titled "TMAC Resources Amends Credit Agreement to Eliminate Next 12 Months of Principal Payments".

TMAC is in the process of renewing the diesel fuel purchase and storage agreement with a subsidiary of Macquarie Bank Ltd ("Macquarie") whereby Macquarie purchases and delivers diesel fuel to Hope Bay and stores the fuel in TMAC's tanks at Roberts Bay. This will allow TMAC to purchase and pay for the diesel fuel as it is consumed rather than prepay for a full year of diesel consumption, which reduces working capital investment. The price of the diesel fuel is fixed in Canadian dollars at the time of delivery. TMAC is also in the process of renewing its fuel supply and delivery agreement that was entered into during 2015 and expired at the end of 2018. The updated pricing is expected to result in an estimated US\$40 per ounce saving in Cash Costs and AISC commencing in Q4 2019.

In 2018, TMAC established an insurance product referred to as "Demand Bonds" to liberate cash from TMAC's restricted cash balance. By December 31, 2018, TMAC had issued \$37 million of Demand Bonds and posted \$22 million as collateral with the surety underwriters that resulted in the release of \$15 million of the restricted cash balance. During the three months ended March 31, 2019, \$2 million of security for overbonding was cancelled and the collateral was reduced. Also in the first quarter, TMAC issued \$4 million of Demand Bonds required under the Madrid permits and posted a \$2 million cash collateralized letter of credit as security to the underwriter. The Demand Bonds for Madrid were issued by a different insurance company and required 50% collateral, compared to the 60% collateral required under the previously issued Demand Bonds.

There is an opportunity to release an estimated \$10 million of additional funds in the near-term and, ultimately, all of it will be released in the long-term as TMAC demonstrates improved operational performance and an improved financial position by reducing the amount of collateral required for Demand Bonds. There is also an opportunity to issue Demand Bonds for the \$5 million of letters of credit issued as security for royalty and land and mineral access payments that are currently cash-collateralized.

FIRST QUARTER 2019 PRODUCTION HIGHLIGHTS

- Production of 40,050 ounces of gold compared to 34,080 ounces of gold produced in the fourth quarter 2018.
- Underground mine production during the first quarter of 2019 was 1,600 tonnes per day at an average grade of 10.2 g/t. Included is 131,700 tonnes of ore at an average grade of 10.8 g/t, produced from longhole stoping and sill development during the quarter. Sill development contributed a further 12,300 tonnes at an average grade of 3.0 g/t, which is below the mining cut-off grade of 4.0 g/t, which is classified as incremental ore.
- The plant achieved throughput of 1,610 tonnes per day at an average grade of 10.3 g/t and an average recovery of 84% in the first quarter 2019.

Refer to TMAC's news release that summarizes the 2019 operating results, issued on April 7, 2019 titled "TMAC Resources Announces Record Q1 2019 Production of 40,050 Ounces and Improved Underground Mine and Plant Performance".

UPDATE ON PLANT COMMISSIONING

The design, procurement, and installation of the additional gravity concentrators was completed in December 2018, with commissioning continuing through the first quarter of 2019. Installation of the first surge bin between the crushing and grinding circuits was completed during the first quarter and commissioned during the month of April. The second surge bin has been fabricated, but the Company elected to install and commission the second surge bin sequentially rather than concurrently with the first surge bin to minimize project execution risk and minimize plant disruption.

Plant recoveries improved to 84% in the first quarter 2019 compared to 82% in the fourth quarter of 2018, however the full benefit of the improvements to the circuit have not yet been achieved. Daily performance in the first quarter remained consistently in the 80%-89% range. It is expected that plant recoveries will consistently average at least 90% once commissioning is fully complete on the entire suite of newly installed

equipment.

With the improved concentrator recovery and improved leaching performance, more gold is going to the resin circuit which is exceeding its absorption capacity. A column is being engineered to scavenge the solution coming from the resin circuit to recover gold in solutions that is currently being sent to the tailings impoundment area. The installation does not require integration in the current process as it is a passive system at the back end of the circuit.

EXPLORATION

A total of 8,278 metres of underground diamond drilling were completed during the first quarter of 2019 and included 4,520 metres on Doris BTM and 3,758 metres on Doris Connector. Drilling on the Doris BTM zone was focused on upgrading and expanding the Doris BTM Inferred Resources to facilitate mine design and production in 2019. In addition, 7,999 metres of surface diamond drilling was completed at Madrid North, including 1,372 metres on Naartok East and 6,627 metres on Suluk. Refer to TMAC's news release that summarizes the 2019 drill results, issued on April 7, 2019 titled "Doris Drilling Continues to Define Continuity of the High Grade BTM Extension; First Quarter 2019 Exploration Update".

FIRST QUARTER 2019 CONFERENCE CALL AND WEBCAST

Senior management will host a conference call and webcast to discuss these results on Thursday, May 2, 2019 at 10:00 a.m. (ET).

Conference call and webcast details:

Thursday, May 2, 2019 at 10:00 a.m. ET

Webcast

www.tmacresources.com

Toll Free (North America)

1-800-319-4610

Toronto

416-915-3239

International

604-638-5340

An archive of the webcast will be available on the Company's website.

SUMMARY OF FINANCIAL RESULTS

	Units	Three months ended March 31, 2019 March 31, 2018	
P&L Summary:			
Revenue (ounces)	ounces	39,200	19,540
Revenue	\$millions	67.9	33.0
Cost of sales ⁽¹⁾	\$millions	50.1	35.6
Profit (loss) from mining operations	\$millions	17.8	(2.6)
General and administrative	\$millions	5.0	4.2
Financing costs, net	\$millions	(4.5)	(4.7)
Foreign exchange gain (loss)	\$millions	3.2	(5.8)
Net profit (loss)	\$millions	7.2	(15.0)
Per share	\$/share	0.06	(0.16)
EBITDA ⁽²⁾	\$millions	31.9	(3.5)
Adjusted EBITDA ⁽²⁾	\$millions	28.6	2.8
Unit Costs:			
Cost of sales ⁽¹⁾	\$/oz	1,278	1,822
Cost of sales ⁽³⁾	US\$/oz	962	1,438
Cash Costs ⁽³⁾	US\$/oz	658	1,049
Sustaining capex	US\$/oz	235	379

Other sustaining costs	US\$/oz	99	179
AISC ⁽²⁾⁽³⁾⁽⁴⁾	US\$/oz	992	1,607
Cash Flow Summary:			
Cash from operating activities	\$millions	35.4	10.9
Cash used in investing activities	\$millions	(23.5)	(17.2)
Cash used in financing activities	\$millions	(10.6)	0.1
Net increase/(decrease) in cash	\$millions	0.8	(6.3)
Cash at end of period	\$millions	25.6	35.7
USD Results:			
Average exchange rate	CAD/USD	1.33	1.26
Revenue	US\$ millions	51.1	26.0
Average realized sales price	US\$/oz	1,302	1,332
Average spot price of gold – London PM Fix	US\$/oz	1,304	1,329
CAPEX Summary:			
Sustaining ⁽⁴⁾	\$millions	12.3	9.4
Expansion ⁽⁴⁾	\$millions	5.8	7.9
Exploration and evaluation	\$millions	4.6	1.5

(1) Includes depreciation

(2) Refer to the definitions of EBITDA, Adjusted EBITDA, Cash Costs AISC, Sustaining capex and Expansion capex in associated MD&A

(3) Translated using exchange rates at the time of incurring the expenditure

(4) AISC is calculated using the updated guidance from the World Gold Council issued in November 2018 and certain of the projects previously classified as sustaining capex have been reclassified as expansion capital.

SUMMARY OF OPERATING RESULTS

		Three months ended		March 31,
	Units	March 31,	December 31,	March 31,
		2019	2018	2018
Mining:				
Ore ⁽¹⁾	tonnes	131,700	200,400	82,600
Average grade	g/t	10.8	7.6	8.5
Contained gold	ounces	45,900	48,700	22,600
Incremental Ore ⁽²⁾	tonnes	12,300	12,000	6,100
Average grade	g/t	3.0	4.9	3.1
Contained gold	ounces	1,200	1,900	600
Total ore	tonnes	144,000	212,400	88,700
Average grade	g/t	10.2	7.4	8.1
Contained gold	ounces	47,100	50,600	23,200
Mining rate	tpd	1,600	2,310	990
Waste ⁽³⁾	tonnes	110,600	298,700	66,200
Total tonnes	tonnes	254,600	511,100	154,900
Development	metres	1,660	1,620	1,370
Processing:				
Processing rate	tpd	1,610	1,800	930
Ore processed	tonnes	145,000	164,900	83,600
Average grade	g/t	10.3	7.8	10.9
Contained gold	ounces	47,880	41,480	29,220
Recovery	%	84	82	71
Gold produced	ounces	40,050	34,080	20,650
Gold in process change	ounces	2,870	1,330	1,820
Gold poured	ounces	37,180	32,750	18,830
Gold sold	ounces	39,200	31,380	19,540
Stockpiles:				
Primary stockpile:				

Ore on surface ⁽¹⁾⁽⁴⁾	tonnes	55,300	68,600	76,100
Average grade	g/t	7.2	6.7	9.3
Contained gold	ounces	12,800	14,700	22,800
Secondary stockpile:				
Ore on surface ⁽²⁾	tonnes	64,500	52,200	26,700
Average grade	g/t	3.6	3.7	3.4
Contained gold	ounces	7,400	6,200	2,900

⁽¹⁾ Includes material from mining that is above the mining cut-off grade of 4.0 g/t. The three month period ended December 31, 2018 includes ore mined from the surface crown pillar recovery at Doris.

⁽²⁾ Includes material from development that is below the mining cut-off grade of 4.0 g/t

⁽³⁾ Adjusted comparative period for the Incremental Ore that was previously classified as waste

⁽⁴⁾ Includes reconciliation adjustment based on surveyed results of the stockpile

ABOUT TMAC RESOURCES INC.

TMAC Resources operates Hope Bay located in Nunavut, Canada. The property and operations are remote but not isolated, serviced by both a port and airstrip. Hope Bay is an 80 km by 20 km Archean greenstone belt that has been explored by BHP, Miramar, Newmont and TMAC over a period spanning more than 30 years. In that time, more than \$1.5 billion of sunk expenditures have been spent in exploration and evaluation, surface infrastructure, and mine and process plant development. TMAC began producing gold in early 2017 from Doris, its first mine at Hope Bay, and processed gold at the Doris Plant which originally had nameplate capacity of 1,000 tonnes per day and expanded to 2,000 tonnes per day midway through 2018. Hope Bay has 4.8 million ounces of measured and indicated resources at Doris, Madrid and Boston deposits, largely within 350 metres of surface. There is potential to grow these established deposits considerably at depth, and then grow resources further through the prioritized exploration of the more than 90 other identified regional targets. TMAC is now permitted to produce from both Madrid and Boston.

FORWARD-LOOKING INFORMATION

This release contains “forward-looking information” within the meaning of applicable securities laws that is intended to be covered by the safe harbours created by those laws. “Forward-looking information” includes statements that use forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “believe”, “continue”, “potential” or the negative thereof or other variations or comparable terminology.

“Forward-looking information” is not a guarantee of future performance and management bases forward-looking statements on a number of estimates and assumptions at the date the statements are made. Furthermore, such “forward-looking information” involves a variety of known and unknown risks, uncertainties and other factors, which may cause the actual plans, intentions, activities, results, performance or achievements expressed or implied. See “Risk Factors” in the Company’s Annual Information Form dated March 11, 2019 filed on SEDAR at www.sedar.com for a discussion of these risks.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20190501006067/en/>

Contact

TMAC Resources Inc.

Jason Neal
President and Chief Executive Officer
Phone: 416-628-0216

Lisa Wilkinson
Director, Investor Relations and Strategic Development

Phone: 416-628-0216
Lisa.Wilkinson@tmacresources.com
www.tmacresources.com

Dieser Artikel stammt von [GoldSeiten.de](https://www.goldseiten.de)

Die URL für diesen Artikel lautet:

<https://www.goldseiten.de/artikel/412522--TMAC-Resources-Announces-Record-Low-Cash-Costs-and-AISC-and-Its-First-Positive-Earnings-in-Q1-2019.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by GoldSeiten.de 1999-2024. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).