

Cerrado Gold Reports Strong Q4 and Full-Year Production, Cashflow and Operating Cost Performance at Its Minera Don Nicolas Mine

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- Q4 Production of 17,360 Gold Equivalent Ounces ("GEO") and annual production of 53,672 GEO (+23% vs 2021)
- Q4 Adjusted EBITDA of \$7.3 million and annual EBITDA of \$20.7 million (+76% vs 2021)
- Q4 AISC of \$1,015 per ounce and annual AISC of \$1,231 per ounce (-10% vs 2021)

(All numbers reported in US dollars)

TORONTO, April 17, 2023 - [Cerrado Gold Inc.](#) (TSX.V:CERT)(OTCQX:CRDOF) ("Cerrado" or the "Company") is pleased to announce operational and financial results for the fourth quarter ("Q4/22") and year-end 2022 at its Minera Don Nicolas ("MDN") gold project in Santa Cruz Province, Argentina and for its exploration activities at the Monte Do Carmo gold project in Brazil. Production results were previously released on January 18, 2023. The Company's annual financial results are reported and available on SEDAR as well as on the Company's website (www.cerradogold.com).

Q4 2022 Minera Don Nicolas ("MDN") Operational Highlights:

- Gold production of 17,360 GEO in Q4/22, a 13% improvement year-on-year ("yoY")
- Strong operating margin of \$7.6 million and operating cash flows of \$8.4 million in the fourth quarter
- AISC of \$1,015 per ounce during Q4

Full-Year 2022 Minera Don Nicolas ("MDN") Operational Highlights:

- Annual 2022 gold production of 53,672 GEO, a 23% improvement yoy (43,559 ounces 2021)
- Strong annual operating margin of \$19.5 million and operating cash flows of \$15.2 million
- Full-year adjusted EBITDA of \$20.7 million; a 76% increase yoy
- Annual AISC of \$1,231 per ounce, at the lower end of guidance

Mark Brennan, CEO and Co-Chairman, stated: "We are very pleased to see another solid year at our MDN operations translating into strong cashflow generation and lower AISC. With production from our initial heap leach project at Las Calandrias on schedule to begin in June, we expect to deliver further production and cost improvement in 2023. In addition, feasibility study work at Monte Do Carmo continues positively and is expected to be completed by the end of May 2023. We expect the Feasibility to highlight the robust growth profile we plan for Cerrado in the coming years to over 200,000 ounces of production per annum."

Fourth Quarter 2022 Operational and Financial Performance

Q4/22 and Full Year Operational Highlights

Minera Don Nicolas

The Company produced 17,360 GEO ounces during the three months ended December 31, 2022, as compared to 15,368 GEO ounces in the three months ended December 31, 2021. Production was 13% higher in the three months ended December 31, 2022, due to both higher grade and higher recovery. Production of 17,360 GEO ounces in the fourth quarter 2022 also represented a 35% improvement over the 11,284 GEO ounces produced in the third quarter of 2022.

The average quarterly gold head grade of 5.83 g/t was the highest recorded since the Cerrado acquisition in early 2020 and represents a 22% increase as compared to the average head grade of 4.77 g/t recorded in the fourth quarter of 2021. The fourth quarter gold head grade of 5.83 g/t also represents a 33% improvement over the 4.40 g/t head grade recorded in Q3 2022.

Gold recovery of 95% represents a 7% increase in recovery as compared to the fourth quarter of 2021. Fourth quarter 2022 mill recovery also represents a 4% increase as compared to the third quarter of 2022.

For the full year 2022 the Company produced 53,672 gold equivalent ounces ("GEO") during the year ended December 31, 2022, as compared to 43,559 GEO for the year ended December 31, 2021. Production is significantly higher in the year ended December 31, 2022, due to 30% higher gold head grade and 9% higher silver recovery.

During 2022 exploration efforts were designed to advance several green and brownfield targets in parallel with the aim of increasing mine life and expanding the overall resource endowment at MDN. Brownfield efforts were concentrated in the Paloma area, where shallow RC drilling was conducted along strike extension of known structures (e.g. Arco Iris and Violeta) and deeper Diamond Drilling on the down dip extension of the known resource in the Sulfuro/Esperanza vein complex. In addition, exploration work to support the move to underground mining was also commenced.

Las Calandrias Project

During 2022, work progressed on the engineering and construction of the Las Calandrias heap leach project. During 2022 the Company completed the detailed design of the heap leach pad as well as completed the procurement and construction of the crushing plant and is finalizing the Carbon in Column plant construction. Placement of ore commenced in early April 2023, with the first gold production expected in late May or early June 2023. The Calandrias Heap Leach is expected to add 25,000-30,000 ounces of incremental production commencing in 2023 and is the first step in Cerrado's plans for growing production capacity in Argentina up to 100,000 ounces per annum in the near term, with the addition of a second heap leach facility planned at Martinetas in the second half of 2023. All MDN projects are to be funded by cash flow and local debt facilities.

Monte Do Carmo Project, Brazil

During 2022 the Company continued with numerous work programs related to the completion of a bankable feasibility study ("FS") by the end of May 2023. During 2022, the Company completed a 48,714 metre infill drilling program to support the upgrading of the resource to the Measured and Indicated categories for the FS for the Serra Alta Deposit. To date, all assay results from the FS drilling campaign have been received, and SRK Consulting is now incorporating the information to support the update of the Resource model. In addition to drilling to support the FS, regional exploration continues to expand the known targets for continued exploration on the overall project to further grow the known resources on the overall property.

The Environmental Impact Study ("EIS") for the MDC project is currently under assessment by NATURATINS. It is expected that the Preliminary License ("LP") will be issued shortly. After final approval and issuance of the LP by NATURATINS an application for the License of Installation/Construction ("LI") will follow.

Q4/2022 Financial Highlights

The Company generated revenue of \$24.8 million for the three months ended December 31, 2022, from the sale of 14,545 ounces of gold and 12,800 ounces of silver at an average realized price per gold ounce sold of \$1,689 and price per silver ounce sold of \$20.31. For the three months ended December 31, 2021, the Company generated revenue of \$23.1 million from the sale of 12,864 ounces of gold and 26,268 ounces of silver. Revenue from sales of gold and silver for the current period was 7% higher than the three months ended December 31, 2021, due to the higher number of ounces sold, offset slightly by \$59 per ounce lower realized price in the current period as compared to the three months ended December 31, 2021.

Cash costs per ounce sold were \$1,003 per ounce in the three months ended December 31, 2022, as compared to cash costs per ounce sold of \$955 per ounce in the three months ended December 31, 2021, a 5% increase. The 5% increase is a result of higher labour costs due to the inflationary pressures in Argentina. Fourth quarter 2022 cash operating costs per ounce sold represent a 31% reduction compared to Q3 2022 of \$1,461/oz due to the increased production base.

Net loss for the three months ended December 31, 2022, was \$1.1 million as compared to a \$2.5 million net income for the three months ended December 31, 2021, a difference of \$3.6 million. The decrease in net income is primarily a result of a deferred tax expense recorded in the fourth quarter of 2022 of \$3.0 million as compared to \$nil in the fourth quarter of 2021.

The Company incurred general and administrative expenses of \$1.9 million for the three months ended December 31, 2022, a \$0.9 million decrease compared to the general and administrative expenses incurred during the three months ended December 31, 2021. During the three months ended December 31, 2022, the Company had decreases in stock-based compensation expenses and salary expenses, which were slightly offset by increases in professional fees and office expenses.

Other expense incurred of \$1.3 million during the three months ended December 31, 2022, was slightly higher than the \$0.8 million other expense recorded during the three months ended December 31, 2021, due to drilling expensed in 2022.

Adjusted EBITDA was \$7.3 million in the fourth quarter of 2022, which is a \$6.6 million improvement as compared to the third quarter of 2022. Full-year 2022 adjusted EBITDA of \$20.7 million also represented an \$8.9 million improvement as compared to the full year of 2021.

Basic and diluted loss per share for the three months ended December 31, 2022, was \$0.01, compared to the basic and diluted earnings per share of \$0.03 for the three months ended December 31, 2021, a \$0.04 per share decrease as a result of higher taxes. Basic and diluted loss per share for the year ended December 31, 2022, was \$0.08, consistent with the basic and diluted earnings loss per share of \$0.09 for the year ended December 31, 2021. Higher revenue and income from mining operations in 2022 were offset by higher finance expenses and deferred taxes.

Full-Year 2022 Financial Highlights

The Company generated revenue of \$90.4 million for the year ended December 31, 2022, from the sale of 50,668 ounces of gold and 95,795 ounces of silver at an average realized price per gold ounce sold of \$1,742 compared to the year ended December 31, 2021, when the Company generated revenue of \$70.1 million from the sale of 38,839 ounces of gold and 88,093 ounces of silver. Revenue and sales of gold and silver for the current period is higher than the year ended December 31, 2021, due to higher grades and recovery.

Cost of sales for the year ended December 31, 2022, was \$70.9 million as compared to \$56.4 million for the year ended December 31, 2021. The Company incurred \$9.8 million higher production costs for the year ended December 31, 2022, due to higher costs of operational contractors and materials and higher labour costs in the year ended 2022 as compared to 2021.

Total cash costs (including royalties) per ounce sold was \$1,192 per ounce in the year ended December 31, 2022, as compared to \$1,247 per ounce for the year ended December 31, 2021, a \$55 per ounce decrease (refer to the reconciliation of Non-IFRS performance metrics). The decrease is a result of significantly higher ounces sold during 2022 as a result of higher grades and recovery achieved in the year ended December 31, 2022.

Net loss for the year ended December 31, 2022, was \$5.9 million as compared to a \$6.3 million loss for the year ended December 31, 2021. There was a \$5.8 million increase in mine operating margin in 2022 which is a result of higher gold sales and realized metal prices. The increase in operating margin was offset by an increase in deferred tax expense of \$3.0 million and an increase in mining tax expense of \$0.5 million.

Annual Guidance for 2023

As previously stated, gold production is expected to be between 60,000 - 70,000 GEO for 2023, and the Company expects to deliver an AISC of US\$1,100-1,300 per ounce for the upcoming year.

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About Cerrado Gold

Cerrado is a Toronto based gold production, development and exploration company focused on gold projects in the Americas. The Company is the 100% owner of both the producing Minera Don Nicolás mine in Santa Cruz province, Argentina, and the highly prospective development project, Monte do Carmo located in Tocantins State, Brazil.

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Forward-looking statements contained in this press release include, without limitation, statements regarding the business and operations of Cerrado. In making the forward-looking statements contained in this press release, Cerrado has made certain assumptions, including, but not limited to the expected timing of commencement of gold production at Las Calandrias, the expectations of 2023 results as well as FS and permitting milestones at the MDC project. Although Cerrado believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurance that the expectations of any forward-looking statements will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, Cerrado disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

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