

Galantas Reports Results for the Quarter Ended March 31, 2014

28.05.2014 | [Marketwired](#)

TORONTO, ONTARIO -- (Marketwired - May 28, 2014) - [Galantas Gold Corporation](#) (TSX VENTURE:GAL) (AIM:GAL) (the 'Company') is pleased to announce its annual financial results for the Quarter ended March 31, 2014.

Financial Highlights

The Net Loss for the Quarter ended March 31, 2014 amounted to \$ 501,200 which compared with a Net Loss of \$ 440,554 for the Quarter ended March 31, 2013. Highlights of the first quarter 2014 results, which are expressed in Canadian Dollars, are:

All in CDN\$	Quarter Ended March 31	
	2014	2013
Revenue	\$ 0	\$ 364,676
Cost of Sales	\$ 77,234	\$ 397,588
(Loss) before the undernoted	\$ (77,234)	\$ (32,912)
Amortization	\$ 65,092	\$ 124,606
General administrative expenses	\$ 272,181	\$ 297,059
(Gain) Loss on disposal of property, plant and equipment	\$ (548)	\$ 0
Foreign exchange loss(gain)	\$ 88,141	\$ (14,023)
Net (Loss) for the Quarter	\$ (502,100)	\$ (440,554)
Working Capital (Deficit)	\$ (4,468,576)	\$ (2,722,908)
Cash (loss)generated from operations before changes in non-cash working capital	\$ (519,533)	\$ (239,907)
Cash at March 31, 2014	\$ 59,616	\$ 823,661

Sales revenues for the quarter ended March 31, 2014 amounted to CDN\$ Nil (2013: CDN\$ 364,676). Following the suspension of production during the fourth quarter of 2013 due primarily to lower concentrate gold grade coupled with falling gold prices, there were no shipments of concentrates sales from the mine during the first quarter. The Company is presently reviewing the economics of continuing production through the processing of tailings cells.

Cost of sales for the quarter ended March 31, 2014 amounted to CDN\$ 77,234 (2013: CDN\$ 397,588). There was a decrease in various production costs at the Omagh mine during the quarter following the suspension of production during 2013.

The Net Loss for the quarter ended March 31, 2014, amounted to CDN\$ 502,100 (2013: Net Loss CDN\$ 440,554). The cash loss generated from operating activities before changes in non-cash working capital for the first quarter of 2014 amounted to CDN\$ 519,533 (2013: \$ 239,907). The cash loss generated from operating activities after changes in non-cash working capital for 2014 amounted to CDN\$ 62,262 (2013: CDN\$ 85,235). The Company's cash balances March 31, 2014 amounted to CDN\$ 59,616 which compared with CDN\$ 823,661 at March 31, 2013. The Company working capital deficit at March 31, 2014 amounted to CDN\$ 4,468,576 which compared with a deficit of CDN\$ 2,722,908 at March 31, 2013.

Subsequent to March 31, 2014 Galantas completed a private placement financing for aggregate gross proceeds of approximately UK£ 516,500. Pursuant to the offering, an aggregate of 10,330,000 units were sold at a price of UK£ 0.05/CDN\$0.09375 per common share. Each unit is comprised of one common share and one common share purchase warrant. In addition an application for a shares for debt exchange of 15,125,140 common shares for CDN\$ 756,257 of the Company's debt was made to the TSX Venture Exchange subsequent to quarter end.

Production

Production at the Omagh mine remains suspended awaiting planning consent to continue operations underground. Due to continued delays in the planning process, management had to make significant redundancies in the workforce, alongside other cost reduction measures.

During the first quarter of 2014 the Company commenced pilot tests with regards to the processing of tailing cells filled during the earlier operation of the mine. The results confirm pre-existing data that indicated the tailings contain between 0.5g/t gold and 1 g/t gold and meet European Union standards for definition as inert material. A low energy cost processing solution, based upon a Knelson CD12 centrifugal gravity concentrator, which was already utilized in the gold processing plant in a secondary role, was successfully pilot tested as a prime re-treatment component for flotation tailings. The tailings do not require comminution (crushing and grinding) for re-processing by this method. Concentrate grades produced by the pilot study were higher than grades for flotation concentrate from mined vein material. Further test-work has produced anomalous results regarding percentage recovery and this is to be further investigated. The Company is presently reviewing the economics of continuing production through the processing of tailings cells as the size of the existing Knelson concentrator, whilst large enough to test the process, is not large enough to satisfactorily operate the process at the scale required for robust economics at present gold prices. The economics of acquiring a larger concentrator unit and ancillary equipment is subject to satisfactory recoveries being confirmed and the parallel assessment of other low power treatment methodologies is also being carried out.

Exploration

Exploration during the first quarter was restricted to surface sampling to conserve cash funds. Results were received for samples taken within the licences 3039, 3040 & 3235, which are located in the Republic Of Ireland, bordering the Company's Northern Ireland OM4 licence. Nineteen float, outcrop and stream sediment samples were collected from areas closely associated with major fault systems. The largest gold anomaly was identified in a stream sediment sample (0.37 g/t) taken from a NE tributary to Lough Derg. The general drainage for this area is derived from parts of the OM4 catchment. Further samples have been collected in the vicinity of anomalous results and from licence area 2315.

Key pathfinder element anomalies have been discovered for float, outcrop and soil samples collected within the OM4 Magheranageeragh target. Gold, Arsenic, Lead, Zinc and Copper anomalies were detected in a central area and specific element associations are identified which point towards a local mineral source. Analysis of geochemistry in combination with pH readings were performed this quarter. Under some circumstances this may assist in locating buried mineralization, in this case the method has helped to constrain an important area of interest. Further sampling and the examination of alternate influences are required before mineralization can be confirmed.

Official documents for two new licence areas in the ROI were received during the quarter. These licences encompass 47.8 km² in the Manorhamilton region, 15 km east of Sligo town. The geological inlier is composed partially of rocks from the Dalradian group, and has a general trend of SW to NE. Importantly, NE trending faults are dominant and one major structure correlates with the Omagh Thrust. Historical records indicate the occurrence of Gold in this area. The duration of the licence is six years, with renewal and reports required every second year. These bring the total number of licences held by OML to 11, with a total coverage of 766.5 km².

Technical detail of the exploration status of all licences is to be included in the upcoming NI.43-101 Technical Report.

During 2012 ACA Howe International Ltd (Howe UK) completed an Interim Resource to Canadian National Instrument NI 43-101 compliant mineral resource estimate and a Preliminary Economic Assessment for the Omagh Gold Project (see press release dated July 3, 2012). This report, filed in August 2012, which was based on drilling results and analyses received to June 2012, identified all resources discovered at that date. An updated resource estimate was prepared by the Company during the second quarter of 2013 based on drilling results received to May 5, 2013 (see press release dated June 12, 2013). The drilling program was mainly targeted to increase the amount of measured and indicated resources related to the potential development of an underground mine. When compared to the resource estimate prepared in 2012 there has been a 50% increase in resources classified as measured and indicated from a total of 95,300 troy ounces gold (2012) to 142,533 troy ounces gold (2013) and a 28% increase in resources classified as inferred, from 231,000 troy ounces gold (2012) to 295,599 troy ounces gold (2013). The overall increase was 34%. Galantas subsequently filed an updated Technical Report on SEDAR in July 2013.

Work continued during the first quarter of 2014 on updating the 2013 resource estimate to incorporate results from drill holes subsequent to May 2013 and not included previously. Also the main veins were re-strung to incorporate the new drill data and accommodate a revised cut-off grade and minimum mining width

parameters. Importantly, the Joshua and Kearney drill intersects were strung to individual channels, this time consuming process has incorporated all of the available assay data in order to make a more informed assessment of grade continuity and vein geometry. The improved statistical assessment is expected to allow some category upgrading in that portion of the resource affected.

Based upon the updated technical analysis, work is also well advanced on the drafting of a revised NI 43-101 report. The work is expected to allow the delineation of mining reserves, following the completion of a detailed mining plan, mining schedule and comprehensive cost estimates, based upon underground working of the Joshua and Kearney veins.

Permitting

Discussions continued with the planning services in Northern Ireland during the first quarter of 2014 with regards to the planning application for an underground mine plan and accompanying Environmental Statement which were submitted to the Planning Services in 2012. Shareholders may see progress on the public planning portal at

http://epicpublic.planningni.gov.uk/PublicAccess/zd/zdApplication/application_detailview.aspx?caseno=M6QQVVS300

Roland Phelps, President & CEO, Galantas Gold Corporation, commented, "Discussions are on-going with Planning Services on the underground mine proposal and road improvements (i.e. passing bays). Additional information has been submitted in relation to passing bays and we are awaiting confirmation from Planning Services that there are no further outstanding issues in this regard. Once confirmation is received, the application is expected to move to a determination of that matter. The underground mine proposal is nearing a conclusion also and we await confirmation that clarifications submitted in April are acceptable. A decision on the underground mine is expected to follow a decision on the passing bays. We have requested a further meeting with Planning Service to confirm a determination timeframe for both elements but the Company has been advised by its consultants that, due to bureaucratic delays, the time-line for planning determination may now be in the second half of 2014, although the date is undefined because it is in the hands of other parties."

The detailed results and Management Discussion and Analysis (MD&A) are available on www.sedar.com and www.galantas.com and the highlights in this release should be read in conjunction with the detailed results and MD&A. The MD&A provides an analysis of comparisons with previous periods, trends affecting the business and risk factors.

Qualified Person

The financial components of this disclosure has been reviewed by Leo O' Shaughnessy (Chief Financial Officer) and the production, exploration and permitting components by Roland Phelps (President & CEO), qualified persons under the meaning of NI. 43-101. The information is based upon local production and financial data prepared under their supervision.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS: This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws, including revenues and cost estimates, for the Omagh Gold project. Forward-looking statements are based on estimates and assumptions made by Galantas in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Galantas believes are appropriate in the circumstances. Many factors could cause Galantas' actual results, the performance or achievements to differ materially from those expressed or implied by the forward looking statements or strategy, including: gold price volatility; discrepancies between actual and estimated production, actual and estimated metallurgical recoveries and throughputs; mining operational risk, geological uncertainties; regulatory restrictions, including environmental regulatory restrictions and liability; risks of sovereign involvement; speculative nature of gold exploration; dilution; competition; loss of or availability of key employees; additional funding requirements; uncertainties regarding planning and other permitting issues; and defective title to mineral claims or property. These factors and others that could affect Galantas's forward-looking statements are discussed in greater detail in the section entitled "Risk Factors" in Galantas' Management Discussion & Analysis of the financial statements of Galantas and elsewhere in documents filed from time to time with the Canadian provincial securities regulators and other regulatory authorities. These factors should be considered carefully, and persons reviewing this press release should not place undue reliance on forward-looking statements. Galantas has no intention and undertakes no obligation to update or revise any forward-looking statements in this press release, except as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of

the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

[Galantas Gold Corporation](#)

Jack Gunter P.Eng, Chairman
+44 (0) 2882 241100

Galantas Gold Corporation
Roland Phelps C.Eng, President & CEO
+44 (0) 2882 241100
info@galantas.com
www.galantas.com

Charles Stanley Securities (AIM Nomad & Broker)
Mark Taylor
+44 (0)20 7149 6000

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<https://www.rohstoff-welt.de/news/176088--Galantas-Reports-Results-for-the-Quarter-Ended-March-31-2014.html>

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