

Galantas Reports Results for the Three and Six Months Ended June 30, 2019

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TORONTO, Aug. 21, 2019 - [Galantas Gold Corp.](#) (the "Company") (TSXV & AIM: GAL) is pleased to announce its financial results for the three and six months ended June 30, 2019.

Financial Highlights

Highlights of the 2019 second quarter's and first six month's results, which are expressed in Canadian Dollars, are summarized below:

<i>All figures denominated in Canadian Dollars (CDN\$)</i>	Second Quarter Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Revenue	\$ 0	\$ 57,040	\$ 0	\$ 57,040
Cost of Sales	\$ (85,482)	\$ (34,150)	\$ (155,508)	\$ (58,216)
(Loss)/income before the undernoted	\$ (85,482)	\$ 22,890	\$ (155,508)	\$ (1,176)
Depreciation	\$ (99,085)	\$ (77,980)	\$ (186,490)	\$ (142,229)
General administrative expenses	\$ (646,381)	\$ (616,153)	\$ (1,248,810)	\$ (1,025,043)
Unrealized gain on fair value of derivative financial liability	\$ 0	\$ 0	\$ 0	\$ 10,000
Foreign exchange loss	\$ (60,915)	\$ (29,267)	\$ (80,572)	\$ (66,560)
Net Loss for the period	\$ (891,863)	\$ (700,510)	\$ (1,671,380)	\$ (1,225,008)
Working Capital Deficit	\$ (4,753,840)	\$ (5,252,685)	\$ (4,753,840)	\$ (5,252,685)
Cash loss from operating activities <small>before changes in non-cash working capital</small>	\$ (673,444)	\$ (429,920)	\$ (1,064,481)	\$ (762,340)
Cash at June 30, 2018	\$ 1,314,113	\$ 732,603	\$ 1,314,113	\$ 732,603

The Net Loss for the three months ended June 30, 2019 amounted to CDN\$ 891,863 (2018: CDN\$ 700,510) and the cash loss from operating activities before changes in non-cash working capital for the second quarter of 2019 amounted to CDN\$ 673,444 (2018 Q2: CDN\$ 429,920). The Net Loss for the six months ended June 30, 2019 amounted to CDN \$ 1,671,380 (2018:CDN\$ 1,225,008) and the cash loss from operating activities before changes in non-cash working capital for the first six months of 2019 amounted to CDN\$ 1,064,481 (2018: CDN\$ 762,340).

Shipments of concentrate commenced during the second quarter of 2019 and provisional sales revenues totalled US\$ 460,000 approximately. However, until the mine commences commercial production all development expenditures are capitalised with net proceeds from concentrate sales offset against Development assets.

The Company had cash balances of \$ 1,314,113 at June 30, 2019 compared to \$ 732,603 at June 30, 2018. The working capital deficit at June 30, 2019 amounted to \$ 4,753,840 compared to a working capital deficit of \$ 5,252,685 at June 30, 2018.

Property, plant and equipment expenditures for the three and six months ended June 30, 2019 amounted to \$ 1,441,514 and \$ 3,392,566 respectively. Expenditures incurred in both periods were mainly in connection with Development assets expenditure.

There were no financing activities during the first half of 2019. Subsequent to June 30, 2019 Galantas

reported a proposed private placement of common shares. The placement is for a maximum of 23,529,412 shares, at an issue price of UK£0.0425 (\$0.068) per share for maximum gross proceeds of UK£1,000,000 (\$1,600,000).

Production/Mine Development

During the second quarter of 2019 the Omagh gold mine continued limited production of gold concentrate from feed produced in the development of the Kearney vein. The plant, which produces a gold & silver concentrate using a non-toxic, froth-flotation process, is running from a stockpile of underground vein material plus additional feed produced from on-vein development operations.

Underground development of the decline tunnel continued to be progressed during the second quarter of 2019 with further cross-cuts allowing access to lower levels of vein development which forms the development necessary to demarcate production panels. On-vein development continued on the 1084 (second) level and the 1072 (third) level. The vein on the 1072 (third) was reached early in the second quarter and on vein development has commenced. Development has continued southwards on the third (1072) level with gold grades within the expected range. The main decline tunnel reached the fourth (1060) level during the second quarter and an access drive to intersect the Kearney vein on this level commenced.

Subsequent to June 30, 2019 the Company reported that the access drive on the fourth (1060) level has intersected the Kearney vein ahead of schedule. The intersection shows strongly developed mineralization. The north and south faces of the vein were channel sampled. The average of the two channels was 8.35 g/t gold over an average true width of 2.65 metres. The vein intersection is expected to allow in-vein development both north and south on the fourth (1060) level. Development on the fourth level is anticipated to produce increased feed tonnage to the processing plant, which produces a concentrate sold under an off-take contract. The Company also reported that a drivage from the 1072 access has been taken northwards, in-vein, for approximately 40 metres. Mineralisation beyond the first 20 metres is currently excluded from the geological model, due to paucity of data. The mineralization was shown to be persistent and has been followed in an in-vein development. Two channel samples taken across the face as the drivage was developed at 24.1m and 27.6m into the third level (1072) north development showed a grade of 6.2g/t gold and 16.3 g/t gold respectively, each with a true width of 3 metres. The vein will continue to be followed northwards on the third (1072) level and increases the potential for additional mineralisation to be added to the resource model if discovered on the adjacent first (1096), second (1084) and fourth (1060) levels, which have not yet accessed this area. To June 30, 2019 approximately 1623 metres of drivage has been completed since underground development commenced. The in-vein portion of the development is designed to form lower and upper access to future stoping blocks for production. Detailed geological information collected during in-vein development allows the geotechnical design of the various blocks to be optimized and the geological model to be refined (See press release July 22, 2019).

The increased number of development headings is expected to provide an enhanced supply of mill feed. For most of the rest of 2019, the increased quantities of processing feed will be sourced from multiple on-vein development headings.

Milling operations progressed during the second quarter of 2019 on an extended dayshift basis, as feed became available. As expected, a second shift was added early in the second quarter. Additional milling shifts are expected to be added in the fourth quarter, when training of additional personnel is complete. The processing plant, which was used formerly for open-pit operations, has had the benefit of a recent upgrade and further upgrades are planned. Recent analyses suggest that the product from the plant meets quality criteria and operates at a high efficiency. Shipments of concentrate to Ocean Partners UK Ltd commenced in the second quarter. Provisional revenues from concentrate totalled US\$ 460,000 approximately for the quarter, representing approximately 154 tonnes of concentrate shipped. However, until the mine reaches the commencement of commercial production all development expenditures are capitalized with net proceeds from concentrate sales offset against Development assets.

Safety is a high priority and the company continues to invest in safety-related training and infra-structure. The zero lost time accident rate since the start of underground operations, continues. Environmental monitoring demonstrates a high level of regulatory compliance. Phased site restoration works continue with thousands of tree saplings planted this year.

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 anticipated production and development projections, 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's 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's 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.

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