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PGD: PS!GOLD - AUDITED AND QUARTERLY RESULTS TO...

PS!GOLD - AUDITED AND QUARTERLY RESULTS TO DECEMBER 2000.

President Steyn Gold Mines Limited
 (formerly Mindserv Limited) - ("PS!Gold")
 (Incorporated in the Republic of South Africa)
 (Registration number 1998/014461/06)

AUDITED RESULTS FOR THE 15 MONTHS ENDED 31 DECEMBER 2000 * Cash cost on target at R50 669/kg (US\$ 207/oz)

* Cash operating profit of R66,1 million

* Cost of ore milled at R258/ton

* Recovered grade of 5,0 grams/ton

* Gold production at 5 232 kilograms

COMMENTS ON THE AUDITED RESULTS FOR THE PERIOD

President Steyn's management team is satisfied with the company's maiden financial results after the reverse take-over of Mindserve Ltd. The present position creates an ideal springboard for the company to move ahead in pursuing its vision. Cash operating profit of R66,1 million is a clear indication of the earnings potential of the present assets. The earnings per share of 8.0 cents is above expectations.

By focussing on cost management, the management team was able to, through various initiatives, lower the cash cost of the underground activities. A hands-on approach delivered handsome dividends and elevated efficiencies to new levels. Cash costs of R50 669 per kilogram (or US\$207 per ounce) for the period ended 31 December 2000 were in line with expectations. To ensure a quantum step in reducing underground cost, a dedicated team investigated the possibilities of introducing continuous mining on a commercial scale at President Steyn. The key to the introduction of continuous mining was to find the ideal methodology to consistently liberate ore with minimum impact. Although there are a number of methods being tested, PS!Gold's investigation team is of the opinion that propellant-based low energy rock breaking is the best technology available for the company's needs.

Management had to deal with various challenges during the past financial year.

During the first part of the year the company reverted from mining contracting to taking effective control over all operational activities. This resulted in a restructuring of the company's activities. A critical assessment of the production status at that

stage revealed an urgent need to improve equipment and to accelerate primary development of new mining areas.

Production at the Freddie's operational unit was hampered due to flooding during the last quarter of the year. The problem was solved by upgrading the underground water reticulation system. With the breakdown at Freddie's, substantial low grade surface ore was milled to substitute some of the lost production. This resulted in the recovered grade for the year of 5 grams/ton being lower than expected.

Since mid 99 management has focussed on the efficiency of the President Steyn processing plant and recovery has now reached acceptable levels. The introduction and upgrading of plant and equipment, especially Kelson Concentrators and rubber liners in the mills, resulted in enhanced efficiencies increasing from 94% to 96%. Detailed care is being taken to utilise the gold reserves in a responsible and effective manner. Initial planning and structural evaluations have been concluded to accelerate the development of the "golden triangle". This mining area, located between Freddie's and Lorraine shafts, will in due course form the backbone of new ounces at attractive grades. President Steyn 1a shaft, which has not been in operation for a number of years, is being re-equipped to facilitate the implementation of the continuous mining project.

Gold production is presently unhedged.

SUMMARY OF RESULTS FOR THE QUARTER AND 15 MONTHS ENDED 31 DECEMBER 2000 VISION

The vision of PS!Gold is to grow production to 700 000 ounces per annum and to reduce cash cost below US\$200 per ounce.

* Net profit for the period of R24,6 million at 9,0% above forecast ' Headline EPS of 8,0 cents at 27,0% above expectation

	Period to December 2000		12 months		to	
	Mining and					
	non-mining					
	to Dec		to Sept		to	
	2000		2000		12 months*	
	2000		2000		15 months	
	2000		2000		15 months	
GOLD PRODUCTION	to Dec	to Sept	Mining	mining	dated	
Non-						
(12 MONTHS)	2000	2000	12 months*	15 months	15 months	
Ore milled 000mt	291	271	1053		1053	
Gold produced kg	1 264	1 318	5 232		5 232	
oz	40 632	42 375	168 198		168 198	
Yield:						
total g/t	4,3	4,9	5,0		5,0	
underground g/t	5,1	5,1	5,2		5,2	
Cash operating						
costs R/kg	55 125	51 251	50 669		50 669	
US\$/oz	225	213	207		207	
Gold price						
received R/kg	65 708	62 346	62 616		62 616	
ABRIDGED INCOME						
STATEMENT (R`000)						
Sales: gold	83 041	82 173	327 574		327 574	
othe	4 169	3 855		19 751	17 696	25 961
Cash operating costs:						
gold	(73 167)	(67 549)	(274 032)		(271 977)	
gold stock						
movement	3 501	2 183	8 959		8 959	
other	(3 639)	(3 460)		(16 190)	(16 190)	(10 391)

Cash operating profit	13 905	17 202	62 501	3 561	66 062	15 570
Amortisation:						
fixed assets	(767)	(5 331)	(15 668)	(640)	(16 308)	(337)
goodwill	(2 319)	(2 320)	(9 277)		(9 277)	
Corporate expenditure	(1 426)	(656)		(3 338)	(3 338)	(1 407)
Net finance charges	(2 889)	(2 294)	(9 390)	(32)	(9 422)	483
Profit before tax	6 504	6 601	28 166	(449)	27 717	14 309
Taxation	356	(1 042)	(3 021)	(88)	(3 109)	(4 053)
Net profit	6 860	5 559	25 145	(537)	24 608	10 256
Weighted average shares in issue ('000)	503 380	503 380			423 080	98 978
Earnings per share (cents)	1,4	1,1			5,8	10,4
Headline earnings per share (cents)	1,8	1,6			8,0	10,4

* Gold mining results are only included since January 2000, which is the effective date of acquisition of the gold mining operations.

	31 Dec	30 Sept
ABRIDGED	2000	1999
BALANCE SHEET	(R`000)	(R`000)
ASSETS		
Property, plant and equipment	182 882	9 957
Goodwill	176 262	1 762
Current assets	56 029	11 771
Total assets	415 173	23 490
EQUITY AND LIABILITIES		
Shareholders` equity	278 126	16 175
Long-term liabilities	55 419	-
Deferred tax	11 108	-
Provision for environmental rehabilitation	19 567	-
Current liabilities	50 953	7 315
	415 173	23 490
Capital expenditure		
- incurred for the period	24 722	10 636
- committed but not contracted	33 750	-
Number of shares in issue (000)	503 380	101 880
Net asset value per share (cents)	55,3	15,9
	15 months to	12 months to
	31 Dec	30 Sept

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