

Great Panther Mining Limited

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Great Panther posts strong operating results despite rough metal price declines

Despite a difficult start to the year, Great Panther Silver (TSE:GPR) (NYSE MKT:GPL) reported a strong finish in 2014, reflecting the start of production at the company's San Ignacio satellite mine in Mexico as well as new high grade discoveries.

The San Ignacio mine, which started operations last year, is part of Great Panther's Guanajuato mine complex (GMC), which also includes the Guanajuato mine. San Ignacio's ore is trucked 22 km to the company's Cata processing plant at the complex.

"We brought the San Ignacio Mine into production, discovered new high grade silver-gold mineralization there, and increased the overall resource base at the Guanajuato Mine Complex," said president and chief executive officer Robert Archer.

"I would also like to congratulate our entire team on their ongoing efforts to improve efficiencies and grade control. These efforts translated into a modest reduction in our cash cost year-over-year, although we still have work to do in this regard," he added.

In the fourth quarter, the company achieved record quarterly metal production of 911,048 silver equivalent ounces, a 19 percent year-over-year increase, as silver output rose 13 percent and gold production grew 24 percent.

Great Panther, which reports in Canadian currency, said net loss was \$26.9 million for the three month period, compared to a net loss of \$7.4 million in the prior year quarter. Revenue declined 10 percent to \$14.2 million, reflecting the significantly lower average metal prices, the company said.

The latest financials also include a pre-tax non-cash impairment charge of \$11.7 million, on account of the drop in metal prices and a reduction in its forecasts.

Cash from operating activities, before changes in non-cash working capital, was negative \$1.3 million. Great Panther said margins and cash flow last year were hurt by a 20 percent decline in the average silver price compared to 2013, and a 10 percent fall in the gold price.

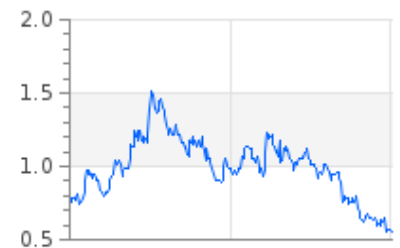
The drop in gold prices also reduced by-product credits, and lessened the year-over-year reduction in cash costs. Still, cash cost per silver payable ounce decreased 5 percent to US\$12.78, while all-in sustaining costs dropped 16 percent to US\$22.07 an ounce in 2014.

For the year, the company posted record metal production of 3.19 million silver equivalent ounces, a 12 percent rise from 2013. Throughput climbed 18 percent, with Great Panther citing the start-up of the San Ignacio mine in June as the primary contributor of growth.

Price: 0.55

Market Cap: \$171.26 m

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: GPR

Listing: TSX

52 week High Low
1.58 0.55

Sector: Gold & silver

Website: www.greatpanther.com

Company Synopsis:

Great Panther Mining Limited is an intermediate gold and silver mining and exploration company listed on the Toronto Stock Exchange trading under the symbol GPR, and on the NYSE American under the symbol GPL. Great Panther operates three mines including the Tucano Gold Mine in Amapá State, Brazil, and two primary silver mines in Mexico: the Guanajuato Mine Complex and the Topia Mine.

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Looking ahead, Great Panther said production at San Ignacio is expected to increase this year as the focus shifts to the new high grade and thicker vein zones to the south of 2014 workings. It is also looking to improve grades at the main Guanajuato mines and its second operating Topia mine, all of which is expected to deliver between 3.5 to 3.6 million silver equivalent ounces in 2015.

All-in costs are expected in the range of US\$18.50 to US\$19.85 an ounce this year. The precious metals producer has the flexibility to react to lower metal prices, it said, as its mines have multiple operating areas with varying grade and cost profiles.

The company also had cash and equivalents of \$18.0 million at year-end 2014, net working capital of \$32.9 million, and no debt, better positioning it to face volatility in metal prices.

Great Panther recently agreed to buy Cangold Limited (CVE:CLD) in a C\$1.7 million all-share deal, which will expand the precious metal producer's asset base in Mexico, and add a new project in Canada's Red Lake district.

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