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First Majestic Silver's Quarterly Production Hits A New Record Pushing Revenues 3 Per Cent Higher

By Ryan Jackson



Management at [First Majestic Silver](#), the Mexico focused senior silver producer, were pleased to report that the company had delivered its ninth consecutive quarter of production growth in the second quarter of 2014.

The, Vancouver-based, group was welcomed into the ranks of the senior silver producers at the beginning of 2014 after announcing that they had produced in excess of 10 million ounces of silver in the company's tenth year of operations. With production continuing to grow in 2014, the company remains on track to deliver on its production target of between 12.7 and 13.3 million ounces of silver.

Taking a closer look at the company's second quarter results, [First Majestic's](#) five operating silver mines in Mexico produced a new quarterly record of 3,855,224 equivalent ounces of silver, representing an 18 per cent increase compared to the same quarter in 2013 and a 6 per cent increase over the previous quarter.

The production growth was due to a 5 per cent increase in global tonnes of ore processed which is primarily attributable to higher throughput rates at the Del Toro and San Martin mines following expansion programs which were carried out on the projects. Del Toro and San Martin processed more than 21 and 23 per cent more material respectively during the quarter leading to 13 and 59 per cent more silver produced at the operations.

What's more, both cash costs and all in sustaining costs fell 3 per cent during the quarter to US\$9.63 and US\$18.18 per payable silver ounce respectively.

While the average realized silver price for the company fell 6 per cent quarter-over-quarter, to US\$19.59 an ounce, the strong production and reduced costs allowed [First Majestic](#) to deliver good financial results in the second quarter. The company reported revenues of US\$66.9 million, a 3 per cent quarter-over-quarter increase. On a per share basis, cash flow increased 27 per cent from the previous quarter to US\$0.16.

With revenues on the rise and costs receding, the company's earnings rose to US\$7.6 million or US\$0.06 per basic share. The result compares favourably to the US\$0.2 million reported in the corresponding quarter of 2013. The company's treasury grew from US\$41.5 million in cash and cash equivalents in the first quarter to US\$66.7 million by the end of the second quarter of 2014.

Keith Neumeyer, president and chief executive of [First Majestic](#), commented on the quarterly results: "Production in the second quarter, marking another record, increased for the ninth consecutive quarter. Costs continue to improve and remain a primary focus. The bulk of our capital intensive projects are winding down; some by design and some by choice in order to preserve cash during these challenging times."

"Looking forward over the coming quarters, we anticipate a continued steady pace of growth with a focus on increasing efficiencies through automation and reduction of input costs throughout our operations", he concluded.

[First Majestic's](#) share price is down more than 1 per cent so far this week to C\$10.63 on the TSX.