



Why SilverCrest Shares Sank Today

Description

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of silver miner **SilverCrest Mines** (TSX: SVL) plunged 13% today after its quarterly results disappointed Bay Street.

So what: The stock had pulled back in recent weeks on nervousness leading up to the quarter, and today's Q4 results — loss of \$0.04 per share on a revenue decline of 29% — only reinforces those concerns. On the bright side, SilverCrest's cash cost per silver equivalent ounce sold improved to \$7.68 versus \$8.05 in the year-ago period, suggesting that the company's operating *efficiency* is improving despite continued weakness in silver and gold prices.

Now what: Management remains cautiously optimistic about its flagship Santa Elena mine. "SilverCrest will continue to focus on delivering strong operating results and optimizing our operating cash flow as we complete the Santa Elena Expansion and increase production in 2014 to approximately 3.3 million to 3.6 million silver equivalent ounces (Ag:Au 60:1)," President and COO N. Eric Fier said.

So while SilverCrest shares remain just too speculative for average investors, resource-savvy Fools might want to look into today's plunge as a possible buy-in opportunity.

CATEGORY

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