



Pan American Silver Revenue Rises in Q1 and Swings to Profit

Description

Pan American Silver ([TSX:PAAS](#))(NASDAQ:PAAS) announced Wednesday its unaudited results for the first quarter that ended March 31, 2022.

Based in Vancouver, Pan American owns and operates silver and gold mines located in Mexico, Peru, Canada, Argentina, and Bolivia. The company also owns the Escobal mine in Guatemala, which is currently not operating. The miner offers increased exposure to silver through a broad base of silver reserves and resources, as well as significant catalysts to boost silver production.



Pan American swings to profit

Pan American reported silver production of 4.619 million ounces and gold production of 131.0

thousand ounces in the first quarter compared to 4,583 ounces of silver and 137.6 ounces of gold in the prior-year quarter.

Revenue came in at \$439.9 million, up 19.5% from 368.1 million in Q1 2021. Net income was \$76.8 million (\$0.36 per share), compared to a loss of 7.6 million a year ago. Adjusted earnings were \$32.0 million (\$0.15 per share), down from \$37.4 million (\$0.18 per share) in Q1 2021.

Silver costs decreased and gold costs rose

Silver segment cash costs and all-in sustaining costs (AISC) per silver ounce were \$10.23 and \$13.41, respectively, in the first quarter. This compared to cash costs and AISC of \$12.30 and \$16.99, respectively, in the same quarter a year earlier.

Gold segment cash costs and AISC per ounce of gold came in at \$1,069 and \$1,502, respectively. This compared to cash costs and AISC of \$846 and \$1,058, respectively, in the same quarter a year earlier.

Pan American completed a record 25,924 metre quarterly drilling on the La Colorada Skarn project, advanced the pre-sinking of the concrete-lined ventilation shaft and commenced commissioning of the refrigeration plant.

As of March 31, 2022, Pan American had working capital of \$620.7 million, including cash and short-term investment balances of \$326.3 million.

A cash [dividend](#) of \$0.12 per common share has been declared, payable on or about June 3, 2022, to registered holders of Pan American common stock at the close of May 24, 2022. The dividend includes a base dividend of \$0.10 per common share and a variable dividend of \$0.02 per common share.

2022 guidance maintained

Pan American president and CEO [commented](#):

“Pan American reported strong financial performance in the quarter, enabling us to declare a dividend of \$0.12 per common share for Q1, in line with the new dividend policy announced in February 2022. As we indicated in our February 23, 2022, news release, our operations experienced high levels of workforce absenteeism in January and early February due to the Omicron variant of COVID-19. Workforce deployment is now back to more normal levels, and we are maintaining our guidance for 2022 with production weighted to the second half of the year.”

Management maintains its guidance for 2022 production, costs and capital expenditures. The company says it is currently experiencing higher-than-expected overall inflationary pressures, particularly for diesel and some consumables, as well as supply chain disruptions, but that it is monitoring this situation and will adjust its cost estimates if necessary.

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Date

2025/06/28

Date Created

2022/05/12

Author

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