

Glencairn Gold CORP
Form 6-K
November 20, 2006

FORM 6-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of **November 2006**

Commission File Number **001-32412**

GLENCAIRN GOLD CORPORATION

(Translation of registrant's name into English)

**500 6 Adelaide St. East
Toronto, Ontario, Canada M5C 1H6**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to rule 12g3-2(b) under the Securities Exchange Act of 1934.

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Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b) 82

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLENCAIRN GOLD CORPORATION

Date: November 20, 2006

By: Lorna MacGillivray
Lorna MacGillivray
Corporate Secretary and General Counsel

INDEX TO EXHIBITS

- 1 Glencairn Gold Corporation's Interim Report dated September 30, 2006
 - 2 Glencairn Gold Corporation's Management's Discussion and Analysis for the Three and Nine Months Ended September 30, 2006
 - 3 Certification of Chief Executive Officer
 - 4 Certification of Chief Financial Officer
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EXHIBIT 1

Interim Report

Q3

September 30, 2006

Glencairn Gold Corporation

Management's Discussion and Analysis

For the three and nine months ended September 30, 2006

The following discussion and analysis should be read in conjunction with the Company's unaudited interim consolidated financial statements and related notes thereto for the three and nine months ended September 30, 2006 and 2005, which have been prepared in United States dollars and in accordance with Canadian generally accepted accounting principles. The reader should also refer to the Annual Information Form, audited consolidated financial statements and Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. All dollar amounts are US dollars unless otherwise indicated.

Overview

Glencairn Gold Corporation (Glencairn or the Company) is a gold producer with three operating mines in Central America. The Limon Mine in Nicaragua has been in continuous production since 1941. The Bellavista Mine entered into commercial production in December 2005, more than doubling the Company's gold output. In addition, this quarter saw the acquisition of our newest mine, Libertad, which complements our existing mine in Nicaragua and a 60% interest in Cerro Quema, an advanced gold exploration project in Panama. During the quarter the Company also acquired the Mestiza exploration property in Nicaragua. The Company is focusing on optimizing its current operating mines in terms of efficiencies, operating costs and production; turning the development projects into operating mines quickly and becoming a mid-tier gold producer. This objective will be accomplished by concentrating on its current operations and development projects. The Company will also diligently consider acquisitions of operating mines and advanced development projects.

Summary of 3rd Quarter Acquisitions

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Libertad / Cerro Quema Acquisition and Financing

On July 6, 2006, the Company acquired a 100% interest in the Libertad gold mine in Nicaragua and a 60% interest in Cerro Quema advanced gold project in Panama. Total consideration for the Libertad and Cerro Quema acquisitions was 32 million Glencairn common shares valued at \$20,777,000 (Cdn\$22,976,000).

Glencairn has and will continue to make significant investments at the Libertad Mine to improve operations and reduce operating costs. A major pre-stripping program to allow steady-state production rates and optimum stripping ratios has already been implemented. A program of metallurgical test work is under way to determine the effect on recoveries of upgrading the crushing circuit and/or adding a grinding circuit, and using permanent heap leach pads. These actions are expected to result in improved production performance in the future. Glencairn is also preparing a technical report in accordance with National Instrument 43-101 to provide an updated estimate of mineral resources for the property that will be filed shortly.

In conjunction with the acquisition, on July 6, 2006, the Company also made a private placement of 30 million subscription receipts at a price of Cdn\$0.60 per subscription receipt for gross proceeds of \$16.2 million (Cdn\$18 million). Each subscription receipt entitled the holder to acquire one common share and one-half common share purchase warrant, without payment of additional consideration. These subscription receipts were converted to shares on closing of the acquisition. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of Cdn\$0.80 until the earlier of:

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- (i) July 6, 2008; or
 - (ii) At the option of Glencairn, a date that is 30 days following provision of notice to warrant holders from the Company that the closing price of its common shares on the Toronto Stock Exchange has been at least Cdn\$1.20 for 30 consecutive trading days.

Yamana Gold Inc., the seller of Libertad and Cerro Quema, also participated in the private placement. At completion of the acquisition, Yamana beneficially owned 42,022,500 common shares of Glencairn, representing 17.9% of the issued and outstanding shares of Glencairn, and warrants to acquire an additional 2,100,000 common shares. Yamana has the right to participate in future Glencairn equity financings to maintain its pro rata interest in Glencairn and has the right to appoint a representative to the Glencairn Board of Directors so long as it maintains a greater than 10% interest in the Company.

Mestiza Acquisition

On September 6, 2006, Glencairn acquired an option to purchase 100% of the Mestiza property in Nicaragua. The property represents a key block of ground covering approximately half the strike length of a 2.4 kilometre-long, gold-bearing structure known as the Tatiana Vein. The remainder of the Tatiana Vein is on the La India property already held by Glencairn. Along half its strike length, including the Mestiza portion, the Tatiana Vein hosts an inferred resource of 689,700 tonnes grading 10.3 grams per tonne gold containing 228,000 ounces of gold. The deposit

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is open in both directions and at depth. Michael Gareau, Glencairn Vice President, Exploration, and a Qualified Person within the meaning of National Instrument 43-101 has reviewed and approved these statements.

The agreement with the Mestiza property owners requires Glencairn to pay them approximately \$2.1 million in instalments. Upon payment of the final instalment on March 6, 2009, the Company will have full rights to exploit the property. If the Company chooses not to pay any of the remaining instalments, the property will revert back to the original owners.

The Company will begin a drilling program in 2007 to upgrade the resource to reserves. This will be followed by an internal feasibility study on the viability of mining and truck haulage to the Limon mill. The Santa Pancha and Talavera zones at the Limon Mine property will continue as the prime source of mill feed. The mill at the Limon mine has sufficient capacity to process the additional ore that is expected to be produced from the Mestiza property.

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Selected Quarterly Information

	Three months ended September 30		Nine months ended September 30		
	2006	2005	2006	2005	
Gold sales (ounces)	22,787	9,598	63,670	31,490	
Pre-production gold ounces sold*	339	4,100	339	4,225	
Average spot gold price (\$/ounce)	622	439	601	431	
Average realized gold price (\$/ounce)	618	441	597	432	
Cash operating costs (\$/ounce)	528	409	405	347	
Total cash costs (\$/ounce)	555	437	428	373	
Gold produced (ounces)	23,106	9,814	62,615	30,867	
(in thousands, except per share amounts)					
Sales	14,075	4,237	38,027	13,617	
Cost of sales	12,026	3,926	25,757	10,912	
Net earnings (loss)	(3,182)	(987)	639	(2,614)	
Earnings (loss) per share - basic and diluted	(0.01)	(0.01)	0.00	(0.02)	

*These gold ounces were produced in the pre-commercial production period and are not included in sales as shown in the Statements of Operations.

Results of Operations

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Limon Mine**Three Months**

	Three months ended September 30			
	2006	2005	Change	% Change
Gold sold (ounces)*	8,568	9,598	(1,030)	(11%)
Average realized gold price (\$/ounce)	624	441	183	41%
Cash operating costs (\$/ounce)	447	409	38	9%
Total cash costs (\$/ounce)	488	437	51	12%
Tonnes milled	79,419	82,435	(3,016)	(4%)
Ore grade (g/tonne)	4.3	4.4	(0.1)	(2%)
Recovery (%)	81.8	84.6	(2.8)	(3%)
Gold produced (ounces)	8,968	9,814	(846)	(9%)
(\$ in thousands)				
Sales	\$ 5,346	\$ 4,237	\$ 1,109	26%
Cost of sales	3,830	3,926	(96)	(2%)
Royalties and production taxes	350	273	77	28%
Depreciation and depletion	339	293	46	16%
Accretion	16	30	(14)	(47%)
	4,535	4,522	13	0%
Earnings (loss) from mining operations	\$ 811	\$ (285)	\$ 1,096	385%

*Not including 339 ounces sold from the pre-production stage of the Santa Pancha underground mine.

Sales from the Limon mine increased \$1,109,000 or 26% in the third quarter of 2006 compared to 2005, although the actual quantity of gold sold decreased by 1,030 ounces or 11% from the same period in the prior year. The increase in sales was attributable to the 41% increase in average realized gold price. Lower production resulted from the lower ore grades and lower recoveries encountered in 2006 compared to 2005. The Company sold 339 ounces of gold from the Santa Pancha deposit in addition to the sales ounces reported in the table above. The revenue was applied against capitalized development costs as this deposit is still considered in the pre-production stage. Full production from this mine site is not expected until 2007.

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Cost of sales decreased by \$96,000 or 2% in the third quarter of 2006 compared to 2005. Production volume was 11% lower in 2006 but was offset by higher operating costs. Electricity rates in particular increased significantly mid-quarter due to changes in government regulations.

Royalties and production taxes increased \$77,000 or 28% due to the increase in the average realized gold price by \$183 per ounce or 41%. Depreciation and depletion increased by \$46,000 or 16% due to the increase in depletion rate per unit caused by the decline in reserves in 2006 and higher capital expenditures.

Nine Months

	Nine months ended September 30			%
	2006	2005	Change	Change
Gold sold (ounces)*	25,851	31,490	(5,639)	(18%)
Average realized gold price (\$/ounce)	602	432	170	39%
Cash operating costs (\$/ounce)	426	347	79	23%
Total cash costs (\$/ounce)	463	373	90	24%
Tonnes milled	227,756	245,310	(17,554)	(7%)
Ore grade (g/tonne)	4.3	4.7	(0.4)	(9%)
Recovery (%)	83.4	83.3	0.1	0%
Gold produced (ounces)	26,100	30,867	(4,767)	(15%)
(\$ in thousands)				
Sales	\$ 15,551	\$ 13,617	\$ 1,934	14%
Cost of sales	11,002	10,912	90	1%
Royalties and production taxes	965	821	144	18%
Depreciation and depletion	961	962	(1)	0%
Accretion	48	89	(41)	(46%)
	12,976	12,784	192	2%
Earnings from mining operations	\$ 2,575	\$ 833	\$ 1,742	209%

*This balance excludes 339 ounces sold from the pre-production stage of the Santa Pancha underground mine.

Ounces of gold sold from the Limon mine for the first three quarters of 2006 decreased 5,639 ounces or 18% over the same period in the prior year. The first quarter of 2006 saw intermittent illegal road blockades which disrupted production at the mine. The mine was able to resume normal operations by the second quarter of 2006. Ore grades mined in 2006 were also 9% lower as mining approaches the end of the Talavera deposit. Gold sales increased by \$1,934,000 or 14% despite the lower volume. This was due to the higher average realized gold price of \$602 per ounce, compared to \$432 per ounce in the previous fiscal year.

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Cost of sales increased \$90,000 or 1%. Higher production costs were encountered with respect to haulage costs, electricity, and fuel. Cash operating costs per ounce increased significantly due to the lower volume of gold sold and the relatively fixed cost base.

Royalties and production taxes increased by \$144,000, or 18% as a result of the higher realized prices.

Bellavista Mine

Three Months

Three months ended September 30

	2006	2005	Change
Gold sold (ounces)	8,400	*-	8,400
Average realized gold price (\$/ounce)	613	-	613
Cash operating costs (\$/ounce)	363	-	363
Total cash costs (\$/ounce)	376	-	376
Tonnes mined	404,630	-	404,630
Ore grade (g/tonne)	1.41	-	1.41
Gold produced (ounces)	8,102	-	8,102
(\$ in thousands)			
Sales	\$ 5,149	\$ -	\$ 5,149
Cost of sales	3,052	-	3,052
Royalties and production taxes	104	-	104
Depreciation and depletion	1,091	-	1,091
Accretion	10	6	4