

# Harte Gold Reports First Quarter 2018 Results

16.05.2018 | [GlobeNewswire](#)

TORONTO, May 16, 2018 (GLOBE NEWSWIRE) -- HARTE GOLD CORP. ("Harte Gold" or the "Company") (TSX:HRT) (OTC:HRTFF) (Frankfurt:H4O) is pleased to announce its results for the three months ended March 31, 2018.

Longitudinal Projection Illustrating Gold Grade Contours, Drill Results And Future Mine Development

Stephen G. Roman, President and CEO of Harte Gold commented, "Harte Gold has had a very productive start to 2018. The Company tripled its mineral resource estimate, arranged a debt financing solution that fully funds the Sugar Zone Project to production, delivered a Preliminary Economic Assessment with significantly improved project economics and signed an Impact Benefits Agreement with Pic Mobert First Nation. The Company's focus now is on achieving commercial production, targeted for Q3 2018 and continuing aggressive infill and expansion drill programs, expected to improve grade and add resources."

## HIGHLIGHTS

- P&E Mining Consultants Inc. ("P&E") completed an updated National Instrument 43-101 ("NI 43-101") Mineral Resource Estimate, announced February 15, 2018, based on drilling to December 8, 2017 and summarized as follows:
  - Indicated Resources: 714,200 ounces of contained gold at a grade of 8.52 g/t; and
  - Inferred Resources: 760,800 ounces of contained gold at a grade of 6.59 g/t.
  - Mineralization at the Sugar and Middle Zones is continuous. Inferred Resource grades were conservatively calculated due to wide spaced drilling.
- On May 3, 2018, the Company released an updated Preliminary Economic Assessment ("PEA"), undertaken by P&E, based on a mine plan of 540 tpd increasing to 1,400 tpd. Highlights include:
  - 80,700 ounces of average gold production at a C1 cash cost of US\$507/oz. and AISC of US\$708/oz., over an 11 year mine life.
  - 904,000 ounces of life-of-mine ("LOM") gold production, from potentially mineable mineralization, incorporating approximately two-thirds of the combined Indicated and Inferred Resource.
  - Pre-Tax NPV<sub>5%</sub> of C\$344 million (50% IRR) at US\$1,250/oz Au, which increases to C\$425 million (60% IRR) at US\$1,350/oz Au.
  - C\$58 million of capex remains to be spent in 2018 (as of March 31, 2018) on process plant completion, surface infrastructure and underground development, of which C\$36 million is to be spent on the process plant and surface infrastructure.
  - Multiple opportunities identified to potentially improve project economics, including infill drilling of existing Inferred Resources to convert additional material into the Mine Plan, and potential resource growth outside of the existing resource shell.
- Overall project development advancing rapidly towards production:
  - Processing plant over 80% complete, completion scheduled for end of June.
  - Power line construction is well underway, completion scheduled for early July.
  - Redpath Canada Limited appointed as contract miner for the first 24 months of operations.
  - 40,000 tonnes of development ore stockpiled on surface, providing initial feed for the process plant.
  - 79,000 tonnes of stope material readily accessible by completed underground development.
- US\$70 million financing announced on May 3, 2018, which provides funding for remaining 2018 capex, start-up of operations, working capital, exploration and corporate costs.

- Impact Benefits Agreement (“IBA”) signed with the proximal First Nations Band; Pic Mobert First Nation.
- Aggressive infill and exploration drill program continued in Q1 2018, with 27,605 meters of drilling completed:
  - Infill drilling of Sugar and Middle Zones are delivering good results which should positively impact resource classification and grade. Assays returned from the Middle Zone include 21.16 g/t over 4.78 meters in hole WZ-18-142 and 16.46 g/t over 6.55 meters in hole WZ-18-138.
  - Drilling has led to the new Footwall Zone discovery, approximately 50 meters into the footwall of the Middle Zone area. Hole WZ-18-129 returned 5.41 g/t over 7.66 meters including a high grade core of 14.80 g/t over 2.12 meters.
  - Drilling at the Wolf Zone confirmed mineralization north of the Gabbro intrusion. Hole WZ-18-151 returned 3.04 g/t over 6.07 meters, including a high grade core of 8.87 g/t over 1.87 meters.
- Overall land position increased to 83,850 hectares.

## OUTLOOK

- Target closing the US\$70 million financing by the end of May.
- Receipt of all outstanding permits to begin mining operations are expected in June.
- Process plant commissioning scheduled to commence in July; targeting declaration of commercial production in Q4 2018.
- Drill programs will continue to focus on infill and expansion drilling:
  - Middle Zone drilling is focused on upgrading Inferred Resources to the Indicated Resource category and increasing the grade, delineating the Footwall Zone and extending the deposit at depth.
  - The Wolf Zone continues to be evaluated as additional drill results are received.
  - High potential exploration targets have been identified, including the Eagle Zone and Highway Zone.
  - Field work, including geochemical analysis, mapping and surface and downhole geophysics will begin in June to define additional new targets for drilling.

## PRELIMINARY ECONOMIC ASSESSMENT

P&E was retained to complete a PEA for the Sugar Zone and Middle Zone deposits (see press release dated May 3, 2019). The PEA envisions a 540 tpd mine plan increasing to 1,400 tpd in year 2021. The Mineral Resource incorporated into the PEA is based on the NI 43-101 resource, effective February 15, 2018. Approximately 534,000 ounces of the Mineral Resource Estimate were excluded from the PEA mine plan due to drill density.

The Company has recognized several opportunities to further enhance value at the Sugar Zone Project by increasing drill density to improve head grade, adding resources to the mine plan by conversion of existing Mineral Resources from the Inferred to Indicated category, growing the property wide resource base, as well as optimizing mine scheduling to reduce mining cost.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that PEA results will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

## FINANCING

On May 3, 2018, the Company announced a US\$70 million financing package which fully funds capital cost, start-up and working capital requirements. The financing is comprised of a US\$50 million secured debt facility from Sprott Private Resource Lending (Collector) L.P. (“Sprott”) and US\$20 million secured subordinated facility from Appian Natural Resources Fund (“Appian”). Closing of both facilities is in May. For further details on the financing, please see press release dated May 3, 2018.

Benefits of the financing package include:

- Provides immediate liquidity to fund the completion of construction.

- Flexible principal and interest schedule to support the ramp-up of operations.
- No equity commitment.
- No hedging requirement, cash flow sweep or debt service reserve account.
- No off-take or royalty agreements.
- No commitment to draw the full US\$70 million.

## IMPACT BENEFITS AGREEMENT

On May 2, 2018, the Company announced it signed an IBA with Pic Mobert First Nation (&ldquo;PMFN&rdquo;). The IBA applies to mines that may be developed on the 83,850 hectare Sugar Zone property and provides a framework within which Harte Gold and PMFN will continue to work together during the production phase of the Sugar Zone Mine. Please see press release dated May 2, 2018 for key IBA terms.

## EXPLORATION AND EVALUATION EXPENDITURES

In Q1 2018, 15,970 meters were drilled at the Sugar Zone, 4,998 meters were drilled at the Wolf Zone and 6,637 meters were drilled at other regional targets. Drilling in Q1 2018 is currently not factored into the NI 43-101 resource estimate and will be additive to any future updates. The following image illustrates key near mine drill results returned to-date. Please see press release dated March 19, 2018 for further detail.

A photo accompanying this announcement is available at  
<http://resource.globenewswire.com/Resource/Download/49714605-f6e6-49d9-9a66-2c45573c316f>

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

For the quarter ended March 31, 2018, the Company's cash and cash equivalent position decreased to \$5,470,198 from \$24,789,164 at December 31, 2017. Cash was largely used to fund the processing plant construction and exploration costs.

On May 3, the Company announced debt financing of US\$70 million which is expected to close at the end of May. With this financing, the Company expects to have sufficient funds to complete budgeted 2018 expenditures, including:

- Remaining capex for completion of the process plant, surface infrastructure and underground development.
- Start-up of operations, working capital and corporate costs.
- Currently planned exploration expenditures.

In the event of an increase in planned levels of exploration or other expenditures, the Company may need to seek additional financing, either by way of equity or debt. While the Company has been successful in raising funds to date, there can be no assurance that such funds will be available to the Company on terms that it finds acceptable.

## QA/QC Statement

The Company has implemented a quality assurance and control (&ldquo;QA/QC&rdquo;) program to ensure sampling and analysis of mine and exploration work is conducted in accordance with industry standards. Drill core is sawn in half with one half of the core shipped to Actlabs Laboratories located in Thunder Bay, ON, while the other half is retained at the Company's core facilities in White River, ON, for future verification. Certified reference standards and blanks are inserted into the sample stream on a regular interval basis and monitored as part of the QA/QC program. Gold analysis is performed by fire assay using atomic absorption, gravimetric or pulp metallic finish. The Mineral Resource Estimate was prepared in compliance with NI 43-101 guidelines.

## Qualified Persons and NI 43-101 Disclosure

Robert Kusins, P. Geo., Harte Gold's Senior Mineral Resource geologist, is the Company's Qualified Person and has prepared, supervised the preparation, or approved the scientific and technical

disclosure in this news release.

Independent Qualified Person, Eugene Puritch, P.Eng., FEC, CET of P&E Mining Consultants Inc. has reviewed and approved the technical contents of this news release.

About Harte Gold Corp.

[Harte Gold Corp.](#) is focused on the exploration and development of its 100% owned Sugar Zone Property where it has recently completed a 70,000 tonne Advanced Exploration Bulk Sample at the Sugar Zone Deposit and mined 30,000 tonnes under its Phase I Commercial Production Permit. The Sugar Zone Property is located 80 kilometers east of the Hemlo Gold Camp. Using a 3 g/t Au cut-off, the Mineral Resource Estimate dated February 15, 2018 contains an Indicated Mineral Resource Estimate of 2,607,000 tonnes grading 8.52 g/t for 714,200 ounces of contained gold and an Inferred Mineral Resource Estimate of 3,590,000 tonnes, grading 6.59 g/t for 760,800 ounces of contained gold. Harte Gold also holds the Stoughton-Abitibi property located on the Destor-Porcupine Fault Zone, east of Timmins, Ontario, and adjacent to the Holloway Gold Mine.

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*This press release contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to completion of any financings; Harte Gold's development potential and timetable of its operating, development and exploration assets; Harte Gold's ability to raise additional funds necessary; the future price of gold; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production, development and exploration; costs of future activities; capital and operating expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental and permitting risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All information contained in this news release, other than statements of current and historical fact, is forward looking information. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Harte Gold to be materially different from those expressed or implied by such forward-looking statements, including but not limited to those risks described in the annual information form of Harte Gold and in its public documents filed on SEDAR from time to time.*

*Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Although management of Harte Gold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Harte Gold does not undertake to update any forward-looking statements, except in accordance with applicable securities laws. Readers should also review the risks and uncertainties sections of Harte Gold's annual and interim MD&As.*

*The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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