

Anaconda Mining Sells 4,330 Ounces of Gold in Q2 2018; Achieves Record Quarterly Throughput

11.07.2018 | [CNW](#)

TORONTO, July 11, 2018 /CNW/ - [Anaconda Mining Inc.](#) ("Anaconda" or the "Company") (TSX: ANX) (OTCQX: ANXG) pleased to announce production results and certain financial information from the three and six months ended June 30, 2018¹). All dollar amounts are in Canadian Dollars. The Company expects to file its second quarter financial statements management discussion and analysis by August 2, 2018.

In 2017, the Company changed its fiscal year-end to December 31, from its previous fiscal year end of May 31. Consequently, Anaconda has now reverted to a customary quarterly reporting calendar based on a December 31 financial year-end, with quarters ending on the last day in March, June, September, and December each year. For comparative purposes, the results for the three and six months ended June 30, 2018, have been compared to the three and six months ended May 31, 2017.

Q2 2018 Highlights

- Anaconda sold 4,330 ounces of gold in Q2 2018, generating metal revenue of \$7.4 million at an average realized price of \$1,695 per ounce. As at June 30, 2018, the Company also had over 750 ounces in gold doré and bullion inventory, which was subsequently sold in July 2018.
- The Company also generated \$100,000 in revenue from the sale of waste rock for road construction purposes.
- Anaconda produced 4,632 ounces of gold during Q2 2018, a 4.4% increase over the three months ended May 31, 2018, or 8,925 ounces in the first half of 2018, an 8.7% increase over the comparative period.
- The Pine Cove Mill processed a quarterly record 121,299 tonnes during Q2 2018, a 12.4% increase over the comparative three-month period ended May 31, 2017, at a throughput rate of 1,350 tonnes per day ("tpd").
- Mill feed during the quarter was comprised of 113,857 tonnes of ore stockpiled from the Pine Cove Pit, supplemented by 7,442 tonnes of ore mined from Stog'er Tight.
- Development of the Stog'er Tight West Pit was completed in Q2 2018, with the removal of 133,576 tonnes of waste rock and the commencement of commercial production on May 1, 2018; ore produced from Stog'er Tight during the quarter was 32,833 tonnes.
- The Company submitted an environmental application for the Argyle Project during Q2 2018, and is preparing the development plan for submission to the applicable regulatory authorities to be able to start development in mid-2019.
- Anaconda successfully completed a non-brokered private placement for \$4.5 million, which will enable continued exploration of the Goldboro Gold Project, the Argyle Deposit, and other prospective targets at the Company's Point Rouse Project.

¹ Refer to Non-IFRS Measures Section below.

"Anaconda Mining continues to achieve consistent and profitable mining results from its Point Rouse Project, producing 4,330 ounces of gold in the second quarter of 2018. We are on track to meet 2018 production guidance of 18,000 ounces, as we transition to commercial production at the Stog'er Tight Mine. With the proceeds from our recent private placement, drilling will begin later this summer at Point Rouse and we expect to demonstrate the ability to add more mineral resources beyond Pine Cove, Stog'er Tight, and Argyle. We continue to execute on our business plan by leveraging our operating infrastructure to expand our mineral resource base around the Pine Cove Mill, and consolidating gold properties on the Baie Verte Peninsula. We believe we can create significant value for all stakeholders, including shareholders of [Maritime Resources Corp.](#), with the acquisition of the Hammerdown Project."

~Dustin Angelo, President and CEO, [Anaconda Mining Inc.](#)

Second Quarter Operating Statistics

	Three months ended	Three months ended	Six months ended	Six months ended
	June 30, 2018	May 31, 2017	June 30, 2018	May 31, 2017
Mine Statistics				
Ore production (tonnes)	32,833	92,167	176,673	194,698
Waste production (tonnes)	356,642	386,387	606,774	711,463
Total material moved (tonnes)	389,475	478,554	783,447	906,161
Waste: Ore ratio	10.9	4.2	3.4	3.7
Mill Statistics				
Availability (%)	98.7	97.5	96.1	96.1
Dry tonnes processed	121,299	107,956	230,518	215,718
Tonnes per day ("tpd")	1,350	1,200	1,326	1,233
Grade (grams per tonne)	1.38	1.49	1.41	1.35
Recovery (%)	85.9	85.8	85.6	85.5
Gold Ounces Produced	4,632	4,442	8,925	8,209
Gold Ounces Sold	4,330	4,658	8,856	8,255

Operations Overview for the Three Months Ended June 30, 2018

Anaconda sold 4,330 ounces of gold during the second quarter of 2018, generating gold and silver revenue of \$7.4 million, and year-to-date has sold 8,856 ounces to generate revenue of \$14.9 million. As at June 30, 2018, the Company also had over 750 ounces of gold doré and bullion inventory, which were sold in early July. The Company continues to be on track to meet its 2018 production guidance of 18,000 ounces at operating cash costs¹ of \$1,100 per ounce, and has now transitioned to ore production at the Stog'er Tight Mine. At a budgeted gold price of \$1,550, Anaconda expects to generate approximately \$28.0 million of revenue based on production guidance, noting however that the average realized gold price¹ for the first half of 2018 was \$1,686 per ounce.

¹ Refer to Non-IFRS Measures Section below.

Point Rousse Mill Operations – The Pine Cove Mill processing facility remains a cornerstone asset of the Company, achieving record quarterly throughput of 121,299 tonnes in the second quarter of 2018. Mill throughput was 1,350 tpd in Q2 2018, a 12.5% increase over the comparative three months ended May 31, 2017, and an improvement from the 1,300 tpd in Q1 2018. Availability during the quarter was strong at 98.7%, up from 93.4% in the first quarter of 2018, when a planned preventative maintenance shutdown occurred. The Company continues to invest in the Pine Cove Mill, making upgrades to the regrind motor and jaw and cone crushers, while continuing to maintain consistent throughput from its crushed ore stockpiles.

Average grade during the second quarter of 2018 was 1.38 g/t, a decrease over both Q1 of 2018 and the three-month comparative period ending May 31, 2017. The lower grade profile was as projected based on

mill throughput being largely comprised of ore stockpile from the Pine Cove Pit. The Company expects an increased grade profile in the second half of 2018, as ore feed is predominantly sourced from Stog'er Tight. The mill achieved an average recovery rate of 85.9%, an improvement over Q1 2018, resulting in gold production in Q2 2018 of 4,632 ounces.

Point Rousse Mine Operations & Mining activity in the first quarter of 2018 was focused on development activity at Stog'er Tight and the completion of mining in the main Pine Cove Pit. In Q1 2018, the nearby Fox Pond water level was lowered to allow mining at Stog'er Tight, and a settling pond and dewatering system was established. The Company completed development at Stog'er Tight in April, removing a further 133,576 tonnes of waste, which will be capitalized as development. Commercial ore production began in May, with 28,974 tonnes of ore mined from Stog'er Tight in May and June.

During Q2 2018, mine operations produced a total of 32,833 tonnes of ore, which included 3,859 tonnes mined from Stog'er Tight during development activities. Given the focus on development in the West Pit, the strip ratio of 10.9 waste tonnes to ore tonnes was high compared to previous periods; however, the strip ratio is expected to decrease over the life of the West Pit.

Mine activity in the Pine Cove Pit finished in the middle of March, and the Company has commenced planning for pushbacks for the Pine Cove Pond and the North West Extension to the pit, which are expected to contribute ore in 2019. The Company is now converting the Pine Cove Pit into a fully-permitted in-pit tailings storage facility, which has approximately 15 years of capacity based on a throughput rate of 1,350 tonnes per day. Anaconda expects to begin tailings deposition in the third quarter of 2018.

Qualified Person

Gordana Slepcev, P. Eng., Chief Operating Officer, [Anaconda Mining Inc.](#), is a "qualified person" as such term is defined in National Instrument 43-101 and has reviewed and approved the technical information and data included in this press release.

ABOUT ANACONDA

Anaconda Mining is a TSX-listed gold mining, development, and exploration company, focused in the prospective Atlantic Canadian jurisdictions of Newfoundland and Nova Scotia. The Company operates the Point Rousse Project located in the Baie Verte Mining District in Newfoundland, comprised of the Pine Cove open pit mine, the Stog'er Tight Mine, the Argyle Mineral Resource, the fully-permitted Pine Cove Mill and tailings facility, deep water port, and approximately 5,800 hectares of prospective gold-bearing property. Anaconda is also developing the Goldboro Gold Project in Nova Scotia, a high-grade Mineral Resource, with the potential to leverage existing infrastructure at the Company's Point Rousse Project.

The Company also has a pipeline of organic growth opportunities, including the Great Northern Project on the Northern Peninsula of Newfoundland and the Tilt Cove Property on the Baie Verte Peninsula, also in Newfoundland.

NON-IFRS MEASURES

Anaconda has included certain non-IFRS performance measures as detailed below. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Operating Cash Costs per Ounce of Gold & Anaconda calculates operating cash costs per ounce by dividing operating expenses per the consolidated statement of operations, net of silver sales by-product revenue, by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, however excludes depletion and depreciation and rehabilitation costs.

Average Realized Gold Price per Ounce Sold & In the gold mining industry, average realized gold

price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist readers in evaluating the revenue received in a period from each ounce of gold sold.

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable Canadian and United States securities legislation. Generally, forward-looking information 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 state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Anaconda to be materially different from those expressed or implied by such forward-looking information, including risks associated with the exploration, development and mining such as economic factors as they effect exploration, future commodity prices, changes in foreign exchange and interest rates, actual results of current production, development and exploration activities, government regulation, political or economic developments, environmental risks, permitting timelines, capital expenditures, operating or technical difficulties in connection with development activities, employee relations, the speculative nature of gold exploration and development, including the risks of not obtaining quantities of grades of resources, contests over title to properties, and changes in project parameters as plans continue to be refined as well as those risk factors discussed in Anaconda's annual information form for the fiscal year ended December 31, 2017, available on www.sedar.com. Although Anaconda has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Anaconda does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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