

# Ascendant Resources Announces Free Cash Flow of \$5.3 Million and Earnings of \$0.07 Per Share in First Quarter 2018

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*(All dollar amounts are in U.S. dollars unless otherwise specified)*

Q1 2018 Highlights Include:

- Net income of \$5.29 million and earnings per share of \$0.07
- Adjusted EBITDA of \$7.95 million; third consecutive quarter of positive adjusted EBITDA
- Free cash flow of \$5.30 million resulting in a cash balance of \$13.26 million at March 31, 2018
- Direct operating costs of \$72.33/t, a decrease of 27% from Q1 2017 and 10% from Q4 2017
- \$28.04 million in revenue, a 254% increase over Q1 2017 and 17% increase over Q4 2017
- ZnEq grade of 6.1%, an increase of 9% over Q1 2017 and 15% over Q4 2017
- Record contained metal production of 21.4 million ZnEq lbs, an increase of 57% over Q1 2017 and 9% over Q4 2017

TORONTO, May 09, 2018 (GLOBE NEWSWIRE) -- [Ascendant Resources Inc.](#) (TSX:ASND) (OTCQX:ASDRF) (FRA:2D9) ("Ascendant" or the "Company") is pleased to report solid first quarter 2018 results from its El Mochito mine with \$5.30 million in free cash flow and the Company's first quarter of material net income of \$5.29 million or earnings per share of \$0.07. Contained metal production for the quarter was 21.4 million zinc equivalent<sup>1</sup> lbs at an average head grade of 6.1%, representing the Company's strongest quarter of production since assuming operation of the mine. These results demonstrate the Company's continued delivery of improved efficiency in operations.

President and CEO Chris Buncic stated: *"We are very pleased with the overall performance of the Company during the first quarter of this year. Our ability to deliver significant cost reductions over the previous quarter and to generate significant net income and free cash flow illustrates the true potential of the El Mochito mine. We will continue to push towards improving operating margins and sustainable long-term profitability. As we exit the quarter with a cash balance of over \$13 million, free cash flow generation remains a key focus."*

He continued, *"Operationally we are pleased with the increased throughput and higher head grades achieved this quarter. We look forward to improving these trends and continue to examine initiatives that will seek to make further structural improvements to our operational efficiency. We continue to make excellent progress on our 2018 exploration program and we look forward to providing an exploration update in the second quarter."*

<sup>1</sup> This figure was calculated on a spot metal price basis.

Summary of key operational and financial performance for the first quarter 2018 is provided in the tables below:

Key Operating Information		Q1	Q4	Q1
		March 31, 2018	December 31, 2017	March 31, 2017
Total Tonnes Mined	tonnes	187,255	197,303	131,325

Total Tonnes Milled	tonnes	186,955	198,354	131,116
Average Head Grades				
Average Zn grade	%	4.2	% 3.7	% 3.4
Average Pb grade	%	1.6	% 1.4	% 1.3
Average Silver grade	g/t	46	34	52
ZnEq Head grade	(1 ) %	6.1	% 5.3	% 5.6
Average Recoveries				
Zinc	%	89.3	% 88.5	% 89.8
Lead	%	76.7	% 74.6	% 76.9
Silver	%	78.3	% 75.0	% 78.8
Contained Metal Production				
Zinc	000's lbs	15,301	14,133	8,888
Lead	000's lbs	5,125	4,556	2,957
Silver	ozs	215,599	169,039	173,041
ZnEq	(1 ) 000's lbs	21,412	19,576	13,672
Payable Production				
Zinc	000's lbs	13,006	12,013	7,555
Lead	000's lbs	4,869	4,328	2,809
Silver	ozs	150,919	118,327	121,129
ZnEq	(1 ) 000's lbs	18,200	16,640	11,621
Payable Metal Sold				
Zinc	000's lbs	15,285	11,007	4,691
Lead	000's lbs	6,323	6,191	1,982
Silver	ozs	169,165	162,619	102,706
ZnEq	(1 ) 000's lbs	21,543	17,599	7,748
Average Realized Metal Price				
Zinc	\$/lb	\$1.53	\$1.46	\$1.26
Lead	\$/lb	\$1.07	\$1.13	\$1.04
Silver	\$/oz	\$16.41	\$16.99	\$18.01
Cash operating cost per ZnEq payable lb sold	(2 ) \$/ZnEq lb	\$0.82	\$1.03	\$1.19
AISC per ZnEq payable lb sold	(2 ) \$/ZnEq lb	\$1.34	\$1.54	\$1.66
Direct operating cost per tonne milled (excl. CAPEX)	(2 ) \$/tonne	\$72.33	\$80.13	\$98.91

(1 ) Assumes average spot metal prices for the period.

(2 ) This is a non-IFRS performance measure. See Non-IFRS Performance Measures section at the end of this document.

Financial		Q1	Q4	Q1
		March 31, 2018	December 31, 2017	March 31, 2017
Total revenue	\$000's	28,038	23,934	7,924
Mine operating expenses	\$000's	19,624	20,336	9,707
Income (loss) from mining operations	\$000's	8,414	(49 )	(1,783 )
Net income (loss)	\$000's	5,294	(1,429 )	(2,894 )
Adjusted EBITDA	(2 ) \$000's	7,945	2,280	(1,690 )
Operating cash flow before movements in working capital	(2 ) \$000's	6,774	578	(2,542 )
Operating cash flow	\$000's	11,418	5,825	(8,334 )
Cash and cash equivalents	\$000's	13,260	8,041	16,813
Working capital	\$000's	13,658	12,506	27,157
Capital Expenditures	\$000's	6,116	5,077	1,606

(1 ) Assumes average spot metal prices for the period.

- (2) This is a non-IFRS performance measure. See Non-IFRS Performance Measures section at the end of this document.

#### First Quarter 2018 Operational Performance

During the first quarter of 2018, Ascendant produced record contained zinc equivalent metal production of 21.4 million lbs, compared to 19.6 million zinc equivalent lbs in the fourth quarter of 2017 and 13.7 million zinc equivalent lbs in the first quarter of 2017. Zinc equivalent lbs for the quarter comprised of 15.3 million lbs of zinc, 5.1 million lbs of lead and 215,599 ounces of silver.

Zinc equivalent grade for the first quarter increased to 6.1% using average spot metal pricing for the period. Zinc grades showed a significant improvement through the quarter increasing by 14% from 3.7% zinc in the fourth quarter 2017 to 4.2% zinc in the first quarter 2018. Lead and silver grades similarly showed an increase of 14% and 30% respectively to 1.6% lead and 46 g/t silver from the fourth quarter of 2017. This was the result of increased control of dilution and a firm focus on mining less sub-grade material, as well as the accelerated mining from the higher-grade Esperanza orebody that occurred as the development of the first long hole stope was completed. The success at Esperanza was partially offset by higher than expected internal dilution experienced in the Nueva Este 23L long hole stope, which has now been addressed. Recoveries for the quarter averaged 89.3% for zinc, 76.7% for lead and 78.3% for silver.

Milled production for the quarter was 186,955 tonnes, representing a slight decrease of 6% over the fourth quarter 2017 and a 43% increase over the first quarter 2017. While the mill did encounter a number of small stoppages due to wet ore and large rocks impacting the vibrating screen and cone crusher, overall, throughput rates continue to trend higher as additional new equipment continues to be introduced and new lower cost, long hole stopes contribute a greater percentage of production. The remainder of the new mobile equipment is expected to arrive by mid-2018, completing the full underground fleet replacement program that commenced in the second quarter 2017.

#### First Quarter 2018 Financial Performance

The Company reports financial results for the three months ended March 31, 2018 with 21.5 million zinc equivalent lbs sold in the first quarter 2018 with income from mining operations of \$8.41 million. Average realized metal prices, on a provisional basis, for the quarter were \$1.53 per pound of zinc, \$1.07 per pound of lead and \$16.41 per ounce of silver.

#### First Quarter 2018 Financial Highlights:

- Net concentrate sales revenue of \$28.04 million
- Net income of \$5.29 million and earnings per share of \$0.07
- Adjusted EBITDA<sup>2</sup> of \$7.95 million
- Direct operating cost of \$72.33/t and Cash Operating Costs of \$0.82/ZnEq lb
- Operating cash flow before changes in working capital of \$6.77 million
- Contained metal production of 21.4 ZnEq lbs, and quarterly milled tonnes of 186,955
- Quarterly payable zinc equivalent production increased 9% to 18.2 million lbs from Q4 2017 with payable zinc, lead and silver production of 13.0 million lbs, 4.9 million lbs and 150,919 ozs produced respectively

The Company reported net income of \$5.29 million or \$0.07 earnings per share in the first quarter 2018. This quarter marks the first with material net income which was a result of the company achieving its targeted sales schedule of one zinc concentrate shipment per month and one lead concentrate shipment per quarter. The Company expects to maintain this schedule throughout the remainder of 2018.

The Company reported \$5.30 million in free cash flow for the first quarter 2018 and also reported adjusted EBITDA totalling \$7.95 million, representing three consecutive quarters of positive adjusted EBITDA. This is a significant increase over fourth quarter 2017 adjusted EBITDA of \$2.28 million and first quarter 2017 adjusted EBITDA of negative \$1.69 million.

Direct operating costs per tonne milled for the first quarter 2018 were \$72.33, a 10% decrease versus fourth

quarter 2017 direct operating costs per tonne milled of \$80.13 and a 27% decrease versus first quarter 2017 direct operating costs per tonne milled of \$98.91. These reductions are a result of cost optimization, operational efficiencies, and increased production. Cost reduction is an ongoing focus for the Company and there are currently a number of initiatives being evaluated, aimed at further improving the Company's long-term cost structure.

Cash operating cost per zinc equivalent payable pound sold was \$0.82 and All-In Sustaining Cost ("AISC") was \$1.34 per zinc equivalent payable pound sold for the first quarter. Capital expenditures were higher than anticipated in the quarter as El Mochito continued to receive additional new mining equipment and greater expenditure was required for the ongoing construction of the tailing dam lift during the dry season and the higher progress of underground development work that was achieved. With the Company now in a steady state of production, entering its first full year of normalized operations, it has adopted the AISC reporting metric as the Company believes it more fully defines the total costs associated with producing zinc and provides greater transparency for stakeholders when assessing operating performance and ability to generate free cash flow from operations.

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<sup>2</sup> Adjusted EBITDA is a Non-IFRS measure and is calculated by considering the Company's earnings before interest payments, tax, depreciation and amortization, share-based payments, adjusted for net foreign exchange expenses.

## Resource Update

On April 10, 2018, the Company announced the results of an updated Mineral Resource & Reserve Estimate for its El Mochito mine in Honduras prepared in accordance with National Instrument 43-101 ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards.

The updated Mineral Reserve and Resource Estimate marks the first compiled since Ascendant acquired the El Mochito mine in December 2016 and replaces the previous estimate with the effective date of December 31, 2015, prepared by Micon as part of the acquisition transaction.

The new estimate shows a material increase in both Mineral Resources and Reserves against the previous Mineral Resource and Reserve Estimates dated December 31, 2015, underscoring the mine's long history of expanding and upgrading Mineral Resources.

Highlights include the following:

Proven & Probable Mineral Reserves increase life of mine beyond seven years (at a rate of 820kt/yr):  
Contained zinc increased 193% from 204Mlbs to 597Mlbs  
Contained lead increased 109% from 100Mlbs to 209Mlbs  
Contained silver increased 106% from 3.5Moz to 7.2Moz

Measured & Indicated Mineral Resources increase  
50% to 869Mlbs contained zinc from 578Mlbs, and  
28% to 1,216Mlbs contained zinc equivalent metal, up from 953Mlbs

Inferred Mineral Resources also increase by 14% to 739Mlbs contained zinc equivalent metal, up from 648Mlbs.

A summary of the Mineral Reserve Estimate is set out in Table 1 and the Mineral Resource Estimate can be found in Table 2 below:

Table 1: El Mochito Mineral Reserve Statement - Effective 01 January 2018

Category	Tonnes (kt)	Grade				Contained Metal			
		Zn (%)	Pb (%)	Ag (g/t)	ZnEq. (%)	Zn Mlbs	Pb Mlbs	Ag Moz	ZnEq. Mlbs
Proven Reserves	787	4.7	2.0	54	7.2	81	35	1.4	124
Probable Reserves	5,002	4.7	1.6	36	6.5	516	174	5.8	717
Proven & Probable Reserves	5,789	4.7	1.6	38	6.6	597	209	7.2	841

## Notes:

(1) Mineral Resources are stated inclusive of Mineral Reserves, Tonnage, grade and contained metal values have been rounded, totals may vary due to rounding. ZnEq% conversion factors used were: Pb x 0.8175 and Ag x 0.0149

(2) Price assumptions used were US\$1.21/lb Zn, US\$1.06/lb Pb and US\$18/troy oz Ag. Processing recoveries used were 88.9% Zn, 74.3% Pb, and 77.7% Ag

(3) A cut-off of 4.76% ZnEq was used to estimate Mineral Reserves which includes factors for metal recovery, operating & sustaining costs, royalties, concentrate treatment charges, payables, penalties and transportation/selling costs. Average modifying factors for Mineral Reserves included internal dilution 1.2%, external dilution 14.3% and mining recovery 90.8%.

Table 2: El Mochito Mineral Resource Statement - Effective 01 January 2018

Category	Tonnes (kt)	Grade				Contained Metal			
		Zn (%)	Pb (%)	Ag (g/t)	ZnEq. (%)	Zn Mlbs	Pb Mlbs	Ag Moz	ZnEq. Mlbs
Measured Resources	1,100	5.5	2.0	65	8.2	134	48	2.3	198
Indicated Resources	6,452	5.2	1.7	41	7.2	735	241	8.4	1,019
Measured & Indicated Resources	7,553	5.2	1.7	44	7.3	869	289	10.7	1,216
Inferred Resources	4,972	5.1	1.4	33	6.7	556	156	5.4	739

## Notes:

(1) Mineral Resources are stated inclusive of Mineral Reserves, Tonnage, grade and contained metal values have been rounded, totals may vary due to rounding.

(2) Price assumptions used were US\$1.21/lb Zn, US\$1.06/lb Pb and US\$18/troy oz Ag. Zinc equivalent metal grade (ZnEq. %) was calculated as follows:

$Zn\% + (Pb\% \times 0.82) + (Ag\ g/t \times 0.0149) = ZnEq\%$  and is based on 88.9% Zn recovery, 74.3% Pb recovery and 77.7% Ag recovery.

(3) A cut-off of 3.1% ZnEq. was used to estimate Mineral Resources and is based on fourth quarter 2017 marginal direct operating costs.

(4) Results of an interpolated bulk density deposit model have been applied, and contributing 5ft downhole assay composites were capped at 38% Zn, 36% Pb and 2000g/t Ag.

(5) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

(6) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

The new Technical Report is being prepared in accordance with National Instrument 43-101 ("NI 43-101") and the CIM Standards by Mercator Geological Services Limited, with contributions made by P&E Mining Consultants Inc. with reference to the Mineral Reserve Estimate, mining and metallurgical engineering sections. This Technical Report will be filed on [www.sedar.com](http://www.sedar.com) on or before the 25th May 2018.

## Mineral Reserve Estimate

The P&E Mining Consultants Inc. Mineral Reserve Estimate (Table 1) review strategy was based on a review and check for reasonableness of the percent zinc equivalent ("ZnEq%") cut-off value. Subsequently, the internal dilution, external dilution, and mine extraction (mining recovery) was scrutinized for each of the four mining methods employed to ensure they fell within acceptable limits for Mineral Reserve Estimate reporting. In addition, the remaining Mineral Resource Estimate not converted to a Mineral Reserve Estimate was reviewed to ensure it balanced with the mine extraction data. The Mineral Reserve Estimate

reviews were summarized into overall dilution and mine extraction percentile for a reasonable value comparison analysis. The average values are as follows: Internal Dilution = 1.2%, External Dilution = 14.3% and Mine Extraction = 90.8%.

### Mineral Resource Estimate

The Mineral Resource Estimate, as set out in Table 2, was prepared by Mercator Geological Services Limited. The effective date of this Mineral Resource Estimate is January 1, 2018, and it is based on 26 contiguous areas of "manto" and/or "chimney" style skarn mineralization defined by 2,176 diamond drill holes up to December 31st, 2017. 3D solid models of skarn mineralization reflecting a minimum grade of 3% ZnEq. were depleted for previously mined areas to constrain resource volumes. GEOVIA Surpac® 6.8.1 software was used to assign block grades for zinc (%), lead (%), silver (g/t) and density (g/cm<sup>3</sup>) for Measured, Indicated and Inferred Mineral Resources using inverse distance squared (ID2) interpolation methodology and capped 5 foot down hole assay composites. Up to four interpolation passes were applied using progressively increasing ellipsoid ranges to cover the range of 3D solid model sizes present. Block size is 10 feet (x) by 10 feet (y) by 10 feet (z) with two levels of sub-blocking allowed to a minimum block size of 2.5 feet (x) by 2.5 feet (y) by 2.5 feet (z). Resource categorization was applied using discrete solid models developed from contributing drill hole and assay composite parameters.

### Exploration Activities

During the first quarter 2018, the Company commenced its planned 40,000-meter 2018 drill program. This program is focused equally on definition drilling for the purpose of resource conversion to further enhance the new resource base supporting a long operating life and exploration drilling to define additional material near mine and regional exploration targets.

2018 exploration initiatives will include a soil geochem survey of the entire El Mochito concession, the review and prioritization of near-mine targets (Manzanal, Big Fuzzy, Porvenir, Caliche) as well as other concessions within Honduras. Specifically, at El Mochito, follow up work on known "chimney" type ore bodies with historic grades in excess of 17% zinc equivalent is underway. With an abundance of historical data available, the Company will also seek to review historical, previously mined areas in the upper levels of the mine which still contain a number of high-grade targets.

### Conference Call

A conference call will be held tomorrow, May 10, 2018, at 10:00am EDT to discuss first quarter 2018 operational and financial results.

#### Conference Call Details:

Date of Call: Thursday, May 10, 2018  
Time of Call: 10:00am EDT  
Conference ID: 9029578  
Dial-In Numbers:  
North American Toll-Free: 1-833-696-8362  
International: 1-612-979-9908

A recorded playback of the conference call will be available until June 10, 2018 and can be accessed on the Company's website at [www.ascendantresources.com](http://www.ascendantresources.com) within the Investors section.

The information provided within this release should be read in conjunction with Ascendant's unaudited condensed consolidated interim financial statements and management's discussion and analysis for the three months ended March 31, 2018, which are available on Ascendant's website and on SEDAR. As at January 1, 2017, the Company has changed its presentation currency to the U.S. dollar (US). All financial figures are in US dollars unless otherwise stated.

### Technical Disclosure/Qualified Person

All technical information contained herein has been reviewed and approved by Patrick Toth, P.Geo and director of exploration of the Company. Mr. Toth is a "qualified person" within the meaning of NI 43-101 &dash; *Standards of Disclosure for Mineral Projects* (&ldquo;NI 43-101&rdquo;).

#### About Ascendant Resources Inc.

Ascendant is a Toronto-based mining company focused on its 100%-owned El Mochito zinc-lead-silver mine in north-western Honduras, which has been in production since 1948. After acquiring the mine in December 2016, Ascendant implemented a rigorous optimization program aimed at restoring the historic potential of the El Mochito mine. In 2017, the Company successfully completed the operational turnaround with sustained production reaching record levels and profitability restored. The Company remains focused on cost reduction and further operational improvements to drive robust free cash flow in 2018 and beyond. Ascendant is also focused on expanding and upgrading known resources through extensive exploration work for near-term growth. With a significant land package of 11,000 hectares and an abundance of historical data there are several regional targets providing longer term exploration upside which could lead to further resource growth. The Company is also engaged in the evaluation of producing and development stage mineral resource opportunities, on an ongoing basis. The Company's common shares are principally listed on the Toronto Stock Exchange under the symbol "ASND". For more information on Ascendant Resources, please visit our website at [www.ascendantresources.com](http://www.ascendantresources.com).

*Neither the Toronto Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.*

For further information please contact:  
Katherine Pryde  
Director, Communications & Investor Relations  
Tel: 888-723-7413  
[info@ascendantresources.com](mailto:info@ascendantresources.com)

#### *Cautionary Notes to US Investors*

*The information concerning the Company's mineral properties has been prepared in accordance with National Instrument 43-101 (&ldquo;NI-43-101&rdquo;) adopted by the Canadian Securities Administrators. In accordance with NI-43-101, the terms &ldquo;mineral reserves&rdquo;, &ldquo;proven mineral reserve&rdquo;, &ldquo;probable mineral reserve&rdquo;, &ldquo;mineral resource&rdquo;, &ldquo;measured mineral resource&rdquo;, &ldquo;indicated mineral resource&rdquo; and &ldquo;inferred mineral resource&rdquo; are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the &ldquo;CIM&rdquo;) Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014. While the terms &ldquo;mineral resource&rdquo;, &ldquo;measured mineral resource&rdquo;, &ldquo;indicated mineral resource&rdquo; and &ldquo;inferred mineral resource&rdquo; are recognized and required by NI 43-101, the U.S. Securities Exchange Commission (&ldquo;SEC&rdquo;) does not recognize them. The reader is cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of any inferred mineral resource will ever be upgraded to a higher category. Therefore, the reader is cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of a measured or indicated mineral resource will ever be upgraded into mineral reserves.*

*Readers should be aware that the Company's financial statements (and information derived therefrom) have been prepared in accordance with International Financial Reporting Standards (&ldquo;IFRS&rdquo;) as issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards. IFRS differs in some respects from United States generally accepted accounting principles and thus the Company's financial statements (and information derived therefrom) may not be comparable to those of United States companies.*

#### *Forward Looking Information*

*This news release contains "forward-looking statements" and "forward-looking information" (collectively,*

"forward-looking information") within the meaning of applicable Canadian securities legislation. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Company with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this news release is qualified by this cautionary note.

Forward-looking information in this news release includes, but is not limited to, statements regarding the consistency of processing recovery levels, improvements of grades in 2018, deployment of new mining equipment, increase in contained metal production, maintenance of production rates, increase of mill feed grades, reduction of costs, monthly shipments of concentrate, the ability to fully fund planned development, exploration and capital expenditures, robust adjusted EBITDA and free cash flow generation in 2018 and the undertaking of various long-term optimization programs. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by Ascendant at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that Ascendant identified and were applied by Ascendant in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to, the ability of the Company to maintain the consistency of processing recovery levels, to improve grades in 2018, to deploy new mining equipment, increase contained metal production, maintain production rates, increase mill feed grades, reduce costs, make monthly shipments of concentrate, fully fund planned development, exploration and capital expenditures, maintain robust adjusted EBITDA and free cash flow in 2018 and undertake various long-term optimization programs and other events that may affect Ascendant's ability to develop its project; and no significant and continuing adverse changes in general economic conditions or conditions in the financial markets.

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, risks generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation), uncertainties related to the development and operation of Ascendant's projects, dependence on key personnel and employee and union relations, risks related to political or social unrest or change, rights and title claims, operational risks and hazards, including unanticipated environmental, industrial and geological events and developments and the inability to insure against all risks, failure of plant, equipment, processes, transportation and other infrastructure to operate as anticipated, compliance with government and environmental regulations, including permitting requirements and anti-bribery legislation, volatile financial markets that may affect Ascendant's ability to obtain additional financing on acceptable terms, the failure to obtain required approvals or clearances from government authorities on a timely basis, uncertainties related to the geology, continuity, grade and estimates of mineral reserves and resources, and the potential for variations in grade and recovery rates, uncertain costs of reclamation activities, tax refunds, hedging transactions, as well as the risks discussed in Ascendant's most recent Annual Information Form on file with the Canadian provincial securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com).

Should one or more risk, uncertainty, contingency, or other factor materialize, or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, the reader should not place undue reliance on forward-looking information. Ascendant does not assume any obligation to update or revise any forward-looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

#### Non-IFRS Performance Measures

The non-IFRS performance measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers.

*Non-IFRS reconciliation of adjusted EBITDA*

*EBITDA is a non-IFRS measure that represents an indication of the Company's continuing capacity to generate earnings from operations before taking into account management's financing decisions and costs of consuming capital assets, and management's estimate of their useful life. EBITDA comprises revenue less operating expenses before interest expense (income), property, plant and equipment amortization and depletion, and income taxes. Adjusted EBITDA has been included in this document. Under IFRS, entities must reflect in compensation expense the cost of share-based payments. In the Company's circumstances, share-based payments involve a significant accrual of amounts that will not be settled in cash but are settled by the issuance of shares in exchange for cash. EBITDA and Adjusted EBITDA do not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA and Adjusted EBITDA exclude the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA and Adjusted EBITDA differently. As such, the Company has made an entity specific adjustment to EBITDA for these expenses. The Company has also made an entity-specific adjustment to the foreign currency exchange (gain)/loss.*

*The following table provides a reconciliation of net income (loss) to Adjusted EBITDA:*

	Q1	Q4	Q1
	March 31,	December 31,	March 31,
	2018	2017	2017
Adjusted EBITDA			
Net income (loss)	\$000's 5,294	(1,429 )	(2,894 )
	\$000's		
<i>Adjusted for:</i>	\$000's		
Depletion and depreciation	\$000's 884	1,298	654
Interest income/expense	\$000's 37	53	50
Accretion expense on rehabilitation liabilities	\$000's 207	(250 )	178
Financing charge on termination obligations	\$000's 421	803	65
Share-based payments	\$000's 352	368	-
Foreign currency exchange gain/loss	\$000's (96 )	279	257
Income taxes	\$000's 846	1,158	-
Adjusted EBITDA	\$000's 7,945	2,280	(1,690 )

*Direct operating cost per tonne milled*

*The Company uses the non-IFRS measure of direct operating cost per tonne milled to manage and evaluate operating performance. 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 flows. 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. The Company considers cost of sales per tonne milled to be the most comparable IFRS measure to direct operating cost per tonne milled and has included calculations of this metric in the reconciliations within the applicable tables to follow.*

*Direct operating cost per tonne milled includes mine direct operating production costs such as mining, processing, administration, indirect charges such as surface maintenance and camp expenses, and inventory sales adjustments but does not include, smelting, refining and freight costs, royalties, depreciation, depletion, amortization, reclamation, and capital costs.*

*Cash operating costs*

*Cash operating costs is a financial performance measure with no standard meaning under IFRS. Ascendant reports total production cash costs on a sales basis. The Company believes that, in addition to conventional*

measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total production cash costs include production costs, such as mining, processing charges divided by ZnEq payable pounds sold to arrive at total cash operating costs per ZnEq payable pound sold. The measure also includes other mine related costs incurred such as variation in inventory. Production costs are exclusive of depreciation. Other companies may calculate this measure differently.

The following table provides a reconciliation of direct operating costs and all-in sustaining costs to cost of sales, as reported in the Company's consolidated statement of income (loss) for the three months ended March 31, 2018 and 2017:

		Q1	Q4	Q1
		March 31,	December 31,	March 31,
		2018	2017	2017
Direct operating cost per tonne milled				
Production expenses (from consolidated income statement) \$000's		19,624	20,336	9,707
Add: Termination Liability Payments \$000's		228	14	563
Deduct (Add): Variation in Finished Inventory \$000's		(4,178 )	(2,158 )	3,733
Deduct: Depreciation in production \$000's		(878 )	(1,290 )	(653 )
Total cash costs (including royalties) \$000's		14,796	16,902	13,350
Deduct: Government taxes and royalties \$000's		(1,274 )	(1,009 )	(381 )
Direct operating costs \$000's		13,522	15,893	12,969
Tonnes Milled	tonnes	186,955	198,354	131,116
Direct operating cost per tonne milled	\$/tonne	\$72.33	\$80.13	\$98.91
		Q1	Q4	Q1
		March 31,	December 31,	March 31,
		2018	2017	2017
AISC per ZnEq payable pound sold				
ZnEq payable pounds sold	000's lbs	21,543	17,599	7,748
Cash Operating Costs Reconciliation				
Direct operating costs	\$000's	13,522	15,893	12,969
Add (deduct): Variation in Finished Inventory \$000's		4,178	2,158	(3,733 )
Cash operating costs		17,700	18,051	9,236
Cash operating cost per ZnEq payable pound sold	\$/ZnEq lb	\$0.82	\$1.03	\$1.19
All-in Sustaining Costs (AISC) Reconciliation				
Total cash operating costs	\$000's	17,700	18,051	9,236
Add: Government taxes and royalties \$000's		1,274	1,009	381
Add: TC & RCs \$000's		3,720	3,629	1,484
Add: G&A, excluding depreciation and amortization \$000's		1,718	2,727	567
Add: Accretion expense on rehabilitation liabilities \$000's		207	(250 )	178
Add: Sustaining capital expenditure \$000's		4,185	1,994	1,027
Total All-in sustaining costs \$000's		28,804	27,160	12,873
AISC per ZnEq payable pound sold	\$/ZnEq lb	\$1.34	\$1.54	\$1.66

#### Additional non-IFRS measures

The Company uses other financial measures, the presentation of which is not meant to be a substitute for other subtotals or totals presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. The following other financial measures are used:

- *Operating cash flows before movements in working capital - excludes the movement from period-to-period in working capital items including trade and other receivables, prepaid expenses, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items.*

*The terms described above do not have a standardized meaning prescribed by IFRS, and therefore the Company's definitions are unlikely to be comparable to similar measures presented by other companies. The Company's management believes that their presentation provides useful information to investors because cash flows generated from operations before changes in working capital excludes the movement in working capital items. This, in management's view, provides useful information of the Company's cash flows from operations and are considered to be meaningful in evaluating the Company's past financial performance or its future prospects. The most comparable IFRS measure is cash flows from operating activities.*

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