

Fiore Gold Announces Q2 2018 Results with Record Gold Production and Operating Cash Flow

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Vancouver, British Columbia (FSCwire) - [Fiore Gold Ltd.](#) (TSXV: F) (OTCQB: FIOGF) (“Fiore” or the “Company”) is pleased to announce that its unaudited financial statements and management’s discussion and analysis for the second quarter (“Q2”) ended March 31, 2018 have been filed with the securities regulatory authorities and are available at [www.sedar.com](#) and on the Company’s website at [www.fioregold.com](#).

Q2 2018 Production and Financial Highlights

(all figures in U.S. dollars unless otherwise indicated)

The second quarter of the 2018 financial year continued the successful ramp-up of the Pan Mine (“Pan”) and saw a number of important milestones for Fiore, including:

Financial Highlights

- Recorded quarterly revenues of \$11.51 million with a gross margin of \$3.60 million or 31%
- Generated quarterly operating cash flow of \$1.71 million, relative to a use of \$1.58 million during Q1 of 2018
- Maintained a strong balance sheet with no debt and working capital of \$16.21 million as of March 31, 2018
- Net income attributable to shareholders of \$3.28 million, or \$0.03 per share

Operating Highlights

- Gold production of 8,695 ounces and a 31% increase over Q1 2018
- Gold sales of 8,673 ounces at an average realized price of \$1,327 per ounce
- Mine production costs are below plan at \$2.90 per ton (\$5.84 per ore ton) mined through the first two quarters of 2018
- Q2 2018 all-in sustaining costs per ounce sold of \$989, representing a 45% decrease from Q1 2018
- Maintained an increased mining rate at the Pan Mine above 14,000 ore tons per day (“tpd”)

Organic Growth Highlights

- The drilling program targeting resource and reserve growth at Pan has resulted in positive drill results
- A promising high-sulphidation epithermal gold target was identified at the Rio Loa project in Chile

Q2 2018 was significant for Fiore as the Pan Mine transitioned to positive operating cash flow. The mining rate continued to exceed the planned 14,000 ore tons per day, with the daily mining rate of 14,664 ore tons

per day for the quarter. Relative to Q1 2018, gold production increased by 31% and all-in sustaining cost per ounce decreased by 45%, driving significant operating cash flow improvement. While gold ounce inventory on the leach pad increased during the quarter, this working capital increase was minimized during February and March 2018 when ounces sold was only a few hundred ounces lower than ounces placed.

At Pan, we are further evaluating the economics of adding a crushing and agglomeration circuit to the mine. Two 10,000-ton test cells were placed under leach on the new Phase II leach pad to assess the relative gold recoveries of run-of-mine vs. crushed ore. The preliminary indications are that the crushed ore yields higher and quicker gold recoveries relative to the run-of-mine ore. Completion of the test heaps and metallurgical recovery analysis is underway and will be used to evaluate whether to add a crushing and agglomeration circuit. A decision is expected before the end of calendar 2018.

At our nearby Gold Rock project, the Final Environmental Impact Statement ("FEIS") is with the Bureau of Land Management's Washington D.C. office for final review and publication. The process to publish the FEIS is anticipated to be completed in the second quarter of calendar 2018, with the Record of Decision ("ROD") to follow within 45 days of publication.

Fiore also commenced a 3,500 metres (11,500 ft) exploration and development drilling program at Pan as part of a longer-term program aimed at expanding the resource and reserve base. As previously announced, Fiore has approved an additional 5,030 metres (16,500 ft) of reverse circulation drilling and 1,495 metres (4,900 ft) of diamond drilling at Pan in FY2018, as well as 4,265 metres (14,000 ft) of reverse circulation drilling at the nearby Gold Rock project. Drilling is ongoing at Pan, while drilling at Gold Rock is scheduled to start in July. The Pan program is intended to test the potential to expand the existing oxide reserves both at depth and laterally beyond the current reserve boundaries, particularly targeting Red Hill which hosts the highest-grade portion of the Pan deposit.

Tim Warman, Chief Executive Officer of Fiore, commented: "We are very pleased with the continued ramp-up of the Pan Mine operations. Our record quarterly gold production and all-in sustaining costs reflect Pan's capability to produce significant operating cash flow. We will continue to focus on drilling at Pan, as well as on-going operational improvements. At the same time, we look forward to the expected receipt of the FEIS for Gold Rock and beginning the drill program in Q3 2018, which we see as real catalysts of additional value."

Second Quarter 2018 Results

	Three Months Ended March 31,	
	2018	2017
Financial Results of Operations		
Select Items - On a Consolidated Basis	\$000's	\$000's
Revenue	11,512	936
Gross Profit	3,598	314
Income / (Loss) from Operations	1,846	(535)
Operating Cash Flow	1,706	(2,517)
Unrealized Gain on Change in FV of Warrant Derivative	1,678	0
Net Income / (Loss)	3,282	(607)
Financial Position as of:	March 31, September 30,	
	2018	2017
Select Items - On a Consolidated Basis	\$000's	\$000's

Cash	5,726	15,124
Inventories	10,618	5,849
Total Current Assets	18,552	23,305
Mineral Property, Plant and Equipment, net	26,667	21,841
Total Assets	49,787	46,866
Total Current Liabilities	(2,343)	(3,521)
Long-Term Liabilities	(6,037)	(9,259)
Working Capital Surplus	16,209	19,784

As a result of the continued ramp-up at Pan, revenue, net income and operating cash flow have all increased significantly, resulting in earnings per share of \$0.03 for Q2 2018.

The cash balance decreased relative to September 30, 2017, primarily reflecting the investment in the Phase II heap leach pad as well as contributions to the Pan reclamation deposit. As of March 31, 2018, we have a working capital surplus \$16.21 million, consisting of current assets of \$18.55 million and current liabilities of \$2.34 million.

OUTLOOK FOR 2018 UPDATE

We are expecting to be near the lower end of our production guidance range of 35,000 to 40,000 gold ounces. As noted in our guidance, our mine plan targeted a sustained 14,000 ore tons per day production rate with higher ore grades expected during the second half of the year. As such, gold production is expected to be weighted to the second half of the year. The year to date mining rate of 14,747 ore tons per day has exceeded the guidance of 14,000 ore tons per day and ore grade has reconciled in line with plan. However, timing of ounces coming off the leach pad has been slightly slower than expected.

In line with production expected to be near the lower end of our guidance range, costs per ounce are expected to be moderately higher than stated guidance.

Corporate Strategy

Our corporate strategy is to grow Fiore Gold into a 150,000 ounce per year gold producer. To achieve this, we intend to:

- grow gold production at the Pan Mine from a planned 35-40,000 ounces in fiscal 2018 to between 40-50,000 ounces per year by fiscal 2019, while also growing the reserve and resource base;
- advance exploration and development of the nearby Gold Rock project; and
- acquire additional production or near-production assets in Nevada and surrounding states.

Qualified Person

The scientific and technical information relating to Fiore Gold's properties contained in this press release was approved by J Ross MacLean (MMSA), Fiore Gold's Chief Operating Officer and a "Qualified Person" under National Instrument 43-101.

On behalf of [Fiore Gold Ltd.](#)

"Tim Warman"

Chief Executive Officer

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Non-IFRS Financial Measures

The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results. These measures are not defined under IFRS and should not be considered in isolation. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. The inclusion of these measures is meant to provide additional information and should not be used as a substitute for performance measures prepared in accordance with IFRS. These measures are not necessarily standard and therefore may not be comparable to other issuers.

We have adopted an "all-in sustaining costs" measure consistent with guidance issued by the WGC on June 27, 2013, less corporate general and administrative expenses. We believe that the use of all-in sustaining costs is helpful to analysts, investors and other stakeholders in assessing our operating performance, our ability to generate free cash flow from current operations and our overall value. This measure is helpful to governments and local communities in understanding the economics of gold mining. The "all-in sustaining costs" measure is an extension of existing "cash cost" metrics and incorporate costs related to sustaining production. The WGC definition of all-in sustaining costs seeks to extend the definition of total cash costs by adding reclamation and remediation costs, exploration and study costs, capitalized stripping costs, corporate general and administrative costs and sustaining capital expenditures to represent the total costs of producing gold from current operations. All-in sustaining costs exclude income tax, interest costs, depreciation and other items needed to normalize earnings. Therefore, this measure is not indicative of our cash expenditures or overall profitability.

"Total cash cost per ounce sold" is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. We believe 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. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate operating earnings and cash flow from its mining operations. "Costs of sales per ounce sold" adds depreciation and depletion and share based compensation allocated to production to the cash costs figures.

Total cash costs figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is considered the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary, and the cost measures presented may not be comparable to other similarly titled measure of other companies.

"Total cash costs per ounce" and "cost of sales per ounce" are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate the measure differently. The following table reconciles non-IFRS measures to the most directly comparable IFRS measure.

Cautionary Note Regarding Forward Looking Statements

This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable securities laws), based on management's best estimates, assumptions and current expectations. Such statements include but are not limited to, statements with respect to continuing successful operations and ramp-up at the Pan Mine, being the near lower end of Fiore's production guidance range, expected production cost per ounce, potential addition of crushing and agglomeration circuit, timing of results for test cells, timing of decision to add a crushing and agglomeration circuit, the Pan Mine anticipated results of the exploration and development drilling program, ability to expand resource and reserves, future results of the Pan Mine, ability to increase production at the Pan Mine, ability to generate operating cash flow, future financial performance and conditions, expectations regarding identified targets at the Rio Loa project, FEIS and ROD for the Gold Rock project, future drilling, development and advancement of the Gold Rock Project, goal to become a 150,000 ounce producer, goal to acquire additional production or near production assets, and other statements, estimates or expectations. Often, but not always, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "targets", "forecasts", "intends", "anticipates", "scheduled", "estimates", "aims", "will", "believes", "projects" and similar expressions (including negative variations) which by their nature refer to future events. By their very nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Fiore Gold's control. These statements should not be read as guarantees of future performance or results. Forward looking statements are based on the opinions and estimates of management at the date the statements are made, as well as a number of assumptions made by, and information currently available to, the Company concerning, among other things, anticipated geological formations, potential mineralization, future plans for exploration and/or development, potential future production, ability to obtain permits for future operations, drilling exposure, and exploration budgets and timing of expenditures, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Fiore Gold to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include, but not limited to, risks related to the Pan Mine performance, risks related to the company's limited operating history; risks related to international operations; risks related to general economic conditions, actual results of current or future exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in ore reserves, grade or recovery rates; uncertainties involved in the interpretation of drilling results, test results and the estimation of gold resources and reserves; failure of plant, equipment or processes to operate as anticipated; the possibility that capital and operating costs may be higher than currently estimated; the possibility of cost overruns or unanticipated expenses in the work programs; availability of financing; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in the completion of exploration, development or construction activities; the possibility that required permits may not be obtained on a timely manner or at all; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which Fiore Gold operates, and other factors identified in Fiore Gold's filing with Canadian securities authorities under its profile at www.sedar.com respecting the risks affecting Fiore and its business. Although Fiore 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. The forward-looking statements and forward-looking information are made as of the date hereof and are qualified in their entirety by this cautionary statement. Fiore disclaims any obligation to revise or update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or forward-looking information contained herein to reflect future results, events or developments, except as require by law. Accordingly, readers should not place undue reliance on forward-looking statements and information.

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