

TMAC Resources Sees Record May Processing Plant Results, Substantially Improved Balance Sheet and High-Grade Exploration Success

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As promised with the release on May 10, 2018 of [TMAC Resources Inc.](#)'s (TSX: TMR) ("TMAC" or the "Company") Financial Statements and Management's Discussion and Analysis for the periods ended March 31, 2018 and 2017, we are today releasing results for May to provide transparency on the first month of the processing plant's (the "Plant") performance after the installation of a Falcon SB400 in the primary grinding circuit of the North Concentrator Line ("CL1"). In addition, we are reporting on the start-up in June of the South Concentrator Line ("CL2"), recent exploration results at Doris and Madrid and the strengthening of the TMAC balance sheet.

Jason Neal, President and Chief Executive Officer of TMAC, stated, "Our management team has taken several significant steps forward in the month of May, operationally and financially. We have achieved a new level of Plant recovery and performance and are planning the next steps for further improvement. As well, a key objective for 2018 has been to use more efficiently the equity that TMAC has raised historically. The first success was a diesel fuel consignment transaction to lower peak inventories by more than \$20 million, and the second success we are announcing today is a new payment and bonding collateral structure with an expectation to efficiently release by July at least \$25 million of our current restricted cash balance. We also have an opportunity today to remind our stakeholders of TMAC's great potential to grow value with the drill-bit with the release of significant exploration results in a concurrent release that includes a hole with 2,710 grams per tonne over 0.66 metres, the second-best drill intercept in the history of the Hope Bay project."

Gil Lawson, Chief Operating Officer of TMAC, said, "In our first month operating a Falcon SB400 in the Plant we achieved a recovery for the month of 83%, which is very encouraging for the very first month of its operation. We tested the unit with our lowest grade stockpile for about half the month before feeding the Plant with higher grade blends. The performance improvement of the concentrator line met our expectations given the various grade regimes that were tested to achieve this average recovery. We have ordered additional gravity concentrator units that will be installed beginning later this summer that will drive further improvements and take us to the point where we will begin optimization and seek our ultimate recovery target of greater than 90%. We commenced feeding low-grade ore to CL2 in early June and it is ramping up to deliver overall Plant capacity of 2,000 tonnes per day. The mine continues to ramp up production to feed the growing Plant capacity. With increased throughput, grade and recoveries we expect to drive our all in sustaining costs significantly lower as fixed costs are spread over increasing gold production."

May Plant Performance

For the month of May, gold recovery increased to 83%, an improvement from 76% in April and 71% in the first quarter, on processing 28,900 tonnes at an average ore grade of 12.7 grams per tonne ("g/t") resulting in record gold production of 9,850 ounces and record gold pours of 10,108 ounces. Gold production in May was 28% better than the previous best month of November 2017, despite that comparable month benefiting from 22% higher grade. The amount of gold poured in May was 49% higher than the previous best month of December 2017.

South Concentrator Line (CL2) Start-Up

TMAC successfully installed and wet commissioned CL2 by the end of May with rock commissioning commencing June 3rd. CL2 incorporates modifications implemented on CL1 during its commissioning and ramp up, including, as original equipment, its own Falcon SB400. The commissioning of CL2 has been significantly better than CL1 based on our learning through a challenging start up, supporting our strategy of

a staggered start up of the Plant. The next critical step is the integration of the two concentrator lines into the concentrate treatment process to achieve overall plant capacity of 2,000 tonnes per day. While early in the process of ramp up, we have thus far met commissioning targets. TMAC reduced the ore feed grade at the beginning of June during the start up of CL2 and will begin increasing grade as confidence in sustained performance improves.

Balance Sheet and Liquidity

While TMAC maintains the objective of replacing the current Letters of Credit (“LCs”) with surety bonds, the Company has collaborated with CIBC, Purves Redmond Limited and certain insurance companies to design, as an interim step, a payment and bonding collateral structure to achieve a similar benefit. TMAC is therefore expecting that there is potential to release at least \$25 million of its current restricted cash balance by July.

Crown Indigenous Relations and Northern Affairs and the Kitikmeot Inuit Association will continue to hold LCs exactly as they do today, but in place of cash collateral CIBC will hold the new product, referred to as “demand bonds”, that will be provided by the same insurance companies which provide surety bonds. The demand bond wording and structure has been agreed with and vetted by CIBC as well as a representative group of insurance companies. TMAC and CIBC have executed an amendment to the terms of the current LC agreement to allow for the use of demand bonds and the insurance companies have initiated the underwriting process of the demand bonds. The demand bonds require a process similar to that used for issuing surety bonds to be followed and success is now in the control of TMAC and the insurance companies who have indicated an interest in issuing demand bonds. It is TMAC’s expectation that the insurance companies may require that a portion of the demand bond face value be held as cash collateral. TMAC currently has \$42 million of restricted cash which would be released by CIBC upon receipt of the demand bonds. The underwriting process is expected to close in July.

On May 10, 2018, TMAC announced a diesel fuel consignment transaction which replaced an up-front acquisition cost of \$21 million at the time of our annual sealift with an ongoing payment based on consumption. The main conditions precedents have been fully satisfied with the only remaining condition being the inspection of the Hope Bay storage tank and the installation of additional measurement equipment that is expected to be completed in mid-July. As a result, the cash outflow for the annual sealift from May to September was reduced from approximately \$60 million to approximately \$40 million, reducing peak working capital.

The importance of the diesel fuel consignment agreement and the payment and bonding collateral structure, and potentially conventional surety bonding in the future, include both near-term liquidity and, importantly, a template to reduce further working capital investment as TMAC grows.

At the end of May TMAC had an unrestricted cash balance of \$27.1 million, which if combined with the potential net release of restricted cash would exceed at least \$52 million pro forma. With completion of the diesel consignment transaction, and considering deposits already funded, the remaining committed 2018 sealift investment is approximately \$35 million in total, to be expended June through September. Continued ramp up of the Plant and mine are required to generate material net free cash flow from operations.

Exploration at Doris and Madrid

TMAC also issued today a concurrent news release with detailed drilling results at Doris and Madrid. Despite only \$8 million dollars of drilling expenses budgeted for 2018, including infill production drilling, TMAC has had significant success thus far. Highlights include two drill holes within the Doris North BTD zone, intersecting (i) 261.4 g/t Au over 7.1 metres including 2,710 g/t over 0.66 metres and 71.8 g/t Au over 1.4 metres; and (ii) 1,255 g/t over 1.5 metres. Results at Madrid North include two near surface intercepts of (iii) 11.5 g/t Au over 25.1 metres, including 18.1 g/t Au over 14.0 metres; and (iv) 12.9 g/t Au over 50.0 metres, including 60.1 g/t Au over 8.5 metres. Please see our parallel news release titled “TMAC Provides Exploration Update, Highlights Include 261.4 g/t Au over 7.1 metres at Doris North BTD Extension” posted concurrent to this news release for a complete and detailed description of these results.

In the intersections highlighted above true width varies depending on the dip of the drill hole and we encourage readers to refer to the complete text of the news release.

SAMPLE PREPARATION, ANALYSIS AND QUALITY ASSURANCE/QUALITY CONTROL

For the Doris and Madrid North drilling campaigns, samples were prepared at ALS Laboratories in Yellowknife, Northwest Territories, and assayed at their Vancouver, British Columbia laboratory (an ISO/IEC 17025 accredited lab for gold analysis). Analysis for gold is completed on sawn half core samples (NQ) using 50 gram fire assay with atomic absorption (AAS) finish. Samples with higher grade gold (>100 g/t) are re-assayed using the pulp and fire assay with gravimetric finish procedures. Samples with visible gold, and surrounding samples are analyzed using screen metallics (1000 g of material is screened to 100 microns, with all +100 micron material analyzed and two samples of -100 micron analyzed by 50 g fire assay with AAS finish, results are averaged based on weight). The Company control checks include the insertion of standard reference materials and blank samples to monitor the precision and accuracy of the assay data. For a complete description of TMAC's sample preparation, analytical methods and QA/QC procedures refer to the 2017 Annual Information Form dated February 23, 2017 and filed on TMAC's profile at www.sedar.com.

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information was prepared by, and all other scientific and technical information contained in this document was reviewed and approved by, Gil Lawson, P.Eng., Chief Operating Officer of TMAC, and David King, P.Geo., Vice President, Exploration and Geoscience of TMAC, each of whom is a "qualified person" as defined by NI 43-101.

FORWARD-LOOKING INFORMATION

This release contains "forward-looking information" within the meaning of applicable securities laws that is intended to be covered by the safe harbours created by those laws. "Forward-looking information" includes statements that use forward-looking terminology such as "may", "will", "expect", "anticipate", "believe", "continue", "potential" or the negative thereof or other variations thereof or comparable terminology. Such forward-looking information includes, without limitation, freeing up restricted cash from completing demand bonds and the ramp up at Doris to design capacity.

Forward-looking information is not a guarantee of future performance and management bases forward-looking statements on a number of estimates and assumptions at the date the statements are made. Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors, which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. See "Risk Factors" in the Company's Annual Information Form dated February 22, 2018 filed on SEDAR at www.sedar.com for a discussion of these risks.

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