

# Ascendant Resources Reports Record Metal Production With Third Quarter 2018 Results

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- Lower metal prices and provisional pricing adjustments impact net income

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

## Q3 2018 Highlights Include:

- Record contained metal production of 23.9 million ZnEq lbs, an increase of 37% over Q3 2017; the seventh consecutive quarter of strong metal production
- ZnEq grade of 6.7%, an increase of 24% over Q3 2017
- Quarterly tonnes milled of 191,738 t, up 9% from Q3 2017
- Net loss of \$3.85 million and loss per share of \$0.05, mainly consequence of low metal prices and price adjustments of provisional sales
- Adjusted EBITDA of negative \$1.73 million; following four consecutive quarters of positive adjusted EBITDA
- Direct operating costs of \$81.66/t, remaining on track with 2018 guidance of \$70-80/t
- AISC of \$1.21 per ZnEq payable lb sold, a 13% improvement from the previous quarter
- Continued exploration success for both infill and exploration drilling

TORONTO, Nov. 07, 2018 - [Ascendant Resources Inc.](#) (TSX: ASND) (OTCQX: ASDRF; FRA: 2D9) ("Ascendant" or the "Company") reports third quarter 2018 results highlighted by contained metal production of 23.9 million zinc equivalent<sup>1</sup> lbs at an average head grade of 6.7%, representing the Company's strongest quarter of operating performance at the El Mochito mine in Honduras. Earnings for the quarter were primarily impacted by persistent low metal prices as the Company generated revenue of \$13.36 million and reported a net loss of \$3.85 million or a loss per share of \$0.05.

President and CEO Chris Buncic stated: *"We are extremely pleased to announce yet another record operational quarter with El Mochito continuing to demonstrate its ability to maintain higher levels of production and improved zinc equivalent grades. The Company has made substantial progress over the last 22 months reducing costs and increasing production. The continued improvements implemented with respect to mining methods and dilution controls are now providing for meaningful contribution and we expect this to continue over time."*

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<sup>1</sup> ZnEq lbs and grades in % represents zinc metal considered together with the lead and silver expressed in zinc equivalent terms of zinc using spot metal prices and production during the period.

He continued, *"Metal prices continued to be severely under pressure this quarter, the lowest since Ascendant took ownership of the mine, which impacted our profitability due to lower than anticipated revenues in the quarter and provisional price adjustments on previous shipments. In our view, these results do not reflect the dramatic operational improvements made to date. Despite these difficult external market factors, we continue to strive to unlock the full potential for El Mochito. The Preliminary Economic Assessment that we announced in October is focused on the expansion and optimization of El Mochito and demonstrates our dedication to deliver long-term profitability at the mine."*

Summary of key operational and financial performance for the third quarter 2018 is provided in the tables

below:

Key Operating Information		Three Months Ended		Nine Months Ended	
		September 30,	September 30,	September 30,	September 30,
		2018	2017	2018	2017
Total Tonnes Mined	tonnes	193,590	177,631	570,534	487,111
Total Tonnes Milled	tonnes	191,738	176,035	571,121	487,111
Average Head Grades					
Average Zn grade	%	4.5	% 3.5	% 4.3	% 3.5
Average Pb grade	%	1.7	% 1.5	% 1.6	% 1.5
Average Silver grade	g/t	45	38	46	40
ZnEq Head grade	(1 ) %	6.7	% 5.4	% 6.4	% 5.5
Average Recoveries					
Zinc	%	87.8	% 88.8	% 89.2	% 89.2
Lead	%	78.9	% 73.7	% 77.9	% 74.5
Silver	%	77.8	% 78.0	% 78.6	% 79.5
Contained Metal Production					
Zinc	000's lbs	16,579	12,100	48,223	30,000
Lead	000's lbs	5,552	4,175	15,787	10,000
Silver	ozs	209,622	168,181	654,264	520,000
ZnEq	(1 ) 000's lbs	23,919	17,495	68,257	40,000
Payable Production					
Zinc	0.85 000's lbs	14,092	10,285	40,990	20,000
Lead	0.95 000's lbs	5,274	3,966	14,997	9,000
Silver	0.7 ozs	146,735	117,727	457,984	370,000
ZnEq	(1 ) 000's lbs	20,331	14,873	58,018	30,000
Payable Metal Sold					
Zinc	000's lbs	11,451	10,038	40,791	24,000
Lead	000's lbs	5,581	3,902	17,235	5,000
Silver	ozs	189,010	171,593	539,547	290,000
ZnEq	(1 ) 000's lbs	18,563	15,132	60,360	30,000
Average Realized Metal Price					
Zinc	\$/lb	\$1.13	\$1.43	\$1.36	\$1.36
Lead	\$/lb	\$0.92	\$1.06	\$1.03	\$1.03
Silver	\$/oz	\$14.46	\$16.91	\$15.72	\$15.72
Cash operating cost per ZnEq payable lb sold	(2 ) \$/ZnEq lb	\$0.72	\$0.85	\$0.77	\$1.00
AISC per ZnEq payable lb sold	(2 ) \$/ZnEq lb	\$1.21	\$1.37	\$1.32	\$1.32
Direct operating cost per tonne milled (excl. CAPEX)	(2 ) \$/tonne	\$81.66	\$87.86	\$76.91	\$90.00

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

(2 ) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the MD&amp;A.

Financial		Three Months Ended		Nine Months Ended	
		September 30,	September 30,	September 30,	September 30,
		2018	2017	2018	2017
Total revenue	\$000's	13,359	17,399	64,054	35,000
Mine operating expenses	\$000's	14,984	14,340	52,153	30,000
Income (loss) from mining operations	\$000's	(1,625 )	3,059	11,901	(3,000)
Net income (loss)	\$000's	(3,853 )	821	6,025	(1,000)
Adjusted EBITDA	(2 ) \$000's	(1,725 )	2,424	13,593	(4,000)

Operating cash flow before movements in working capital (2 )	\$000's	(1,569 )	2,087	11,053	(6
Operating cash flow	\$000's	(1,366 )	(882 )	16,546	(1
Cash and cash equivalents	\$000's	7,415	6,642	7,415	6,
Working capital	\$000's	757	15,913	757	15
Capital Expenditures	\$000's	4,205	2,550	18,323	8,

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

(2 ) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the MD&A.

### Third Quarter 2018 Operational Performance

Restated contained metal production for the third quarter of 2018 (&ldquo;Q3/18&rdquo;) was 16.6 million lbs of zinc (&ldquo;Zn&rdquo;), 5.6 million lbs of lead (&ldquo;Pb&rdquo;) and 209 thousand ounces of silver (&ldquo;Ag&rdquo;). Contained zinc equivalent (&ldquo;ZnEq&rdquo;) metal production was 23.9 million lbs using average metal prices for the quarter. This represents a 37% increase over Q3/17 production of 17.5 million lbs of ZnEq metal and 4% higher than Q2/18 production of 22.9 million lbs of ZnEq metal. This quarter represents a production record and the seventh quarter of continued strong operating results at El Mochito by the Company.

Milled throughput for the quarter was 191,738 tonnes, up 9% over 176,035 tonnes milled in Q3/17 and in line with 192,428 milled tonnes in Q2/18. Overall mill recoveries have remained largely consistent during the last seven months with limited variance. Zinc mill recovery of 88% was 1% lower than achieved in Q3/17 and 2% down from 90% in Q2/18 due to higher iron content found in certain parts of the Esperanza ore body. This was offset by the lead recovery which was 79%, an increase of 7% and 1% from Q3/17 and Q2/18 respectively. Silver recovery of 78% was in line with Q3/17 but 2% lower than Q2/18 and was driven by head grades.

The milled ZnEq head grade of 6.7% was 24% higher than the 5.4% achieved in Q3/17 and 6% higher than the 6.3% ZnEq grade achieved in Q2/18, largely due to improvements made in planning and operations and by focusing on higher-grade tonnes and minimizing dilution. Average zinc head grades of 4.5% were 29% higher than achieved in Q3/17 and 5% higher than the 4.3% achieved in Q2/18. Lead grades in Q3/18 of 1.7% were 13% higher against the 1.5% achieved in both Q3/17 and Q2/18. However, silver grades in the quarter were 45 g/t, an increase of 18% from 38 g/t in Q3/17 but down 6% from the 48 g/t average achieved in Q2/18.

El Mochito had strong performance in July and August with higher mining and throughput rates. September's production tonnage performance was impacted by slower drilling and blasting cycles due to some turnover in supervision and changes to operating procedures requiring additional training. The impact of this has since been remedied as production rates gained strong momentum exiting the month.

With El Mochito demonstrating improved grades, the Company remains focused on production improvements through ongoing training of supervisors and staff. The conventional mining methods implemented early in the year are beginning to provide more meaningful volumes and will become an important source of higher-grade ore moving forward. Ore mined from the high-grade areas of Palmar Dyke and Nueva Este combined with chimney-type ore from the McKenney, Barbasco and San Juan ore-bodies also positively contributed to the overall grade for the quarter. The Esperanza orebody continues to make a significant contribution in the trackless section of the mine with the Esperanza chimney providing very good volumes and grades.

### Third Quarter 2018 Financial Performance

The Company reported financial results for the three months ended September 30, 2018 with 18.6 million zinc equivalent lbs sold in Q3/18 with a loss from mining operations of \$1.63 million. Average realized metal prices, on a provisional basis for the quarter were \$1.13 per pound of zinc, \$0.92 per pound of lead and \$14.46 per ounce of silver.

The Company generated revenues of \$13.36 million in the third quarter as a result of the sale of 11.5 million pounds of payable zinc in concentrates, and 5.6 million pounds of payable lead in concentrates. The Company reported a net loss of \$3.85 million, or a \$0.05 loss per share, compared to a net income of \$0.82 million or \$0.01 basic and diluted earnings per share in Q3/17.

Lower than anticipated total revenues were the principal cause for the decline in profitability in Q3/18 which was a direct result of the persistent depressed metals price environment. Gross revenues for Q3/18 were \$17.30 million, however, provisional price adjustments of \$3.94 million during the quarter lowered overall net revenues as a result of settling final invoices and repricing outstanding invoices.

Adjusted EBITDA<sup>2</sup> totalled negative \$1.73 million, following four consecutive quarters of positive adjusted EBITDA and representing a decrease over third quarter 2017 adjusted EBITDA of \$2.42 million, mainly due to lower net selling prices in the quarter.

Direct operating costs per tonne milled for Q3/18 were \$81.66, a 7% decrease versus \$87.86 in Q3/17 and a 7% increase against Q2/18 where direct operating costs were \$76.61 per tonne milled. The reductions achieved over Q3/17 are a result of cost optimization, operational efficiencies and increased production. During the quarter, underground waste development was 31% lower (47,175 tonnes in Q3 compared to 68,474 tonnes in Q2) than the prior quarter in an effort to reduce expenditures. Due to lower waste development, a higher portion of fixed costs were allocated to direct operating costs instead of being capitalized resulting in higher direct operating costs versus the previous quarter of approximately \$5 per tonne. In addition, operational costs were impacted by an increase in the cost of power and slightly higher conventional mining costs, targeting smaller but higher-grade ore bodies.

Cash operating cost per zinc equivalent payable pound sold was \$0.72, a decrease of 5% from the previous quarter of \$0.76 per ZnEq lb. The All-In Sustaining Cost ("AISC") for Q3/18 was \$1.21 per zinc equivalent payable pound sold, representing a significant improvement of 13% over the previous quarter. In the first quarter of 2018, the Company announced it had 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.

#### El Mochito Exploration Activities

During the third quarter, the Company continued the advancement of its 30,000 metre drill program at El Mochito. 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.

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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.

In September 2018, the Company announced results from 24 diamond drill holes or 4,254 metres. The drilling results were split between step-out (52%) and in-fill (48%) drill holes, targeting four ore bodies, namely Porvenir, Santa Elena, Port Royal Manto and Esperanza (see press release issued on September 10, 2018). Results continue to demonstrate high-grade mineralization above current mining grades and support management's goal of identifying long-term Mineral Resource growth. Additional assay results are expected in the fourth quarter.

Key Highlights (true/apparent widths) Include:

#### Step-out Drilling

DDH 10956 &ndash; 2.6m at 9.5% ZnEq<sup>2</sup>, 6.0% Zn, 3.4% Pb and 35.2 g/t Ag (Porvenir)  
DDH 10987 &ndash; 7.0m at 6.1% ZnEq, 3.4% Zn, 2.6% Pb and 30 g/t Ag (Porvenir)  
DDH 10973 &ndash; 2.7m at 7.3% ZnEq, 4.1% Zn, 3.1% Pb and 38.3 g/t Ag (Santa Elena)

#### Infill Drilling

DDH 10996 &ndash; 7.1m at 14.0% ZnEq, 7.4% Zn, 6.2% Pb and 86.5 g/t Ag (Esperanza)  
DDH 10998 &ndash; 13.7m at 10.7% ZnEq, 5.7% Zn, 4.6% Pb and 72.0 g/t Ag (Esperanza)  
DDH 10999 &ndash; 4.8m at 16.4% ZnEq, 8.2% Zn, 6.6% Pb and 166.5 g/t Ag (Esperanza)  
DDH 11017 &ndash; 16.1m at 9.9% ZnEq, 9.4% Zn, 0.1% Pb and 25.9 g/t Ag (Port Royal Manto)

Note: Please refer to the Company's press release dated September 10, 2018 for details on the above results. ZnEq grades in % represents zinc grade together with the lead and silver grades (zinc equivalent) in terms of zinc using certain metal price, payable metal, and processing recoveries assumptions: Metal prices - Zn\$1.21/lb, Pb\$1.06/lb, Ag\$18.00/oz; processing recoveries - Zn 88.9%, Pb 74.3%, Ag 77.7%.

Additionally, follow-up work on known &ldquo;chimney&rdquo; type ore bodies with historic grades well above current Mineral Resource grades is underway in the historical upper levels of the mine, many of which are still in relatively good condition. There also remains the possibility of including various unmined blocks, pillars and remnants that could be categorized into Mineral Resources if they are confirmed accessible and accordingly sampled.

#### Lagoa Salgada Exploration Project

In August 2018, Ascendant announced it entered into an agreement, effective June 2018, with TH Crestgate GmbH (&ldquo;Crestgate&rdquo;) to acquire an initial 25% interest in its Portuguese subsidiary Redcorp - Empreimentos Mineiros, Lda (&ldquo;Redcorp&rdquo;), which holds an 85% interest in the polymetallic Lagoa Salgada volcanogenic massive sulphide (&ldquo;VMS&rdquo;) Project (&ldquo;Lagoa&rdquo; or the &ldquo;Project&rdquo;) located in Portugal, as well as an option to earn up to an 80% interest in Redcorp upon completion of certain milestones. (see press release issued on August 1, 2018 for transaction details).

Lagoa Salgada currently has a resource of 5.84 million tonnes of Indicated Mineral Resources at 8.88% ZnEq and 2.01 million tonnes of Inferred Mineral Resources at 7.82% ZnEq in the LS-1 Deposit and 2.22 million tonnes at 4.8% ZnEq in the LS-1 Central Deposit, prepared in accordance with NI 43-101. The Project covers 10,700 hectares with 17 gravimetric targets identified, with only the LS-1 and LS-1 Central zone having been significantly tested.

The Lagoa Salgada Project is located within the north-western section of the prolific Iberian Pyrite Belt in Portugal, approximately 80 km southeast of Lisbon and is accessible by national highways and roads. The Project is comprised of a single exploration permit covering an area of approximately 10,700 hectares. The Project represents an early-stage, potentially high-grade, polymetallic zinc-lead-copper exploration opportunity in a low risk, established and prolific jurisdiction.

The Iberian Pyrite Belt (IBP) is host to some of the world's largest VMS deposits and mines such as Neves-Corvo ([Lundin Mining Corp.](#)), Aguas Tenidas (Trafigura Mining Group) and Aljustrel (private), and represents the largest concentration of massive sulphide deposits in the world, forming an arch through Portugal and Spain about 240 km long and 35 km wide and has produced more than 300 million tonnes of massive sulfide ore over the past hundred years.

Ascendant views Lagoa as immediately accretive to the Company's ZnEq metal exposure and offers the potential to be a high-grade, polymetallic zinc-lead-copper exploration opportunity in a low risk, established and prolific jurisdiction. Ascendant has embarked upon an exploration program aimed at significantly accelerating exploration efforts on the project with the expectation of significantly expanding the known Mineral Resources at Lagoa.

#### Lagoa Salgada Exploration Activities

In the third quarter 2018 Ascendant commenced its exploration program at the Lagoa Salgada Project. The

exploration program includes 22 diamond drill holes with a total of 7,750 metres divided over three primary areas; the Main Zone, the Stockwork Zone and the new Central Zone. The drill program is expected to rapidly expand the known deposits and is targeted to be completed by the end of the current year.

In addition to drilling, the exploration program includes downhole geophysics, relogging and assaying of historical drilling in the area and a complete structural reinterpretation of the 10,700 hectare property in the context of the overall regional geology. Given the structural controls seen at similar deposits within the IPB, the latter will aid in the development of the exploration program over the entire land package where other geotechnical anomalies exist.

On October 15, 2018, the Company released results for the first drill hole, LS\_MS\_07, at Lagoa Salgada. Highlights from this hole include:

- LS\_MS\_07 represents the first step out hole of the new drill program, approximately 30 metres to the east of the Main Zone
- Intersected 107.9<sup>3</sup> metres of high-grade mineralization grading 10.25% ZnEq<sup>4</sup>, approximately 30 metres longer than anticipated by previous intercepts
- Significant intercepts include:
  - 10.7m gossan cap at 1.73g/t Au and 143.08g/t Ag (7.64% ZnEq)
    - Includes 5.79m higher grade at 3.19g/t Au and 264.29g/t Ag (13.43% ZnEq)
  - 59.2m massive sulphide zone at 0.33% Cu, 4.49% Pb, 4.89% Zn, 1.09g/t Au and 98.21g/t Ag (13.89% ZnEq)
    - Including 13.9m high-grade lead zone at 0.68% Cu, 6.69% Pb, 4.44% Zn, 1.55g/t Au and 150.24g/t Ag (18.25% ZnEq) and
    - Second 22.3m high-grade lead zone at 0.21% Cu, 5.73% Pb, 7.43% Zn, 1.28g/t Au and 101.67g/t Ag (17.73% ZnEq) and
    - 16.5m high-grade zinc zone at 0.2% Cu, 6.35% Pb, 8.07% Zn, 1.58g/t Au and 112.20g/t Ag (19.65% ZnEq)
- New zone of high-grade chalcopryrite rich stringer mineralization of 9.9 metres grading 3.19% Cu or 10.22% ZnEq intersected at depth post fault zone, supporting view of the fault displacement of the ore zone
  - Including 3.3m grading 8.22% Cu or 24.68% ZnEq.
- Intersection of second massive sulphide zone of 7.6m grading 0.44% Cu, 0.89% Pb, 2.58% Zn, 0.29g/t Au and 44.4g/t Ag (5.72% ZnEq), demonstrating additional massive sulphide at depth and west of a known fault

Drilling continues at the Project with additional results expected in the fourth quarter 2018.

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<sup>3</sup> Reported intersections represent the adjusted Apparent Width of the ore body as opposed to intersected core lengths

<sup>4</sup> ZnEq or Zinc Equivalent metal grade in this document includes copper, lead, gold and silver expressed in zinc equivalent terms, was calculated as follows:  $ZnEq. \% = ((Zn\ Grade * 25.35) + (Pb\ Grade * 23.15) + (Cu\ Grade * 67.24) + (Au\ Grade * 40.19) + (Ag\ Grade * 0.62)) / 25.35$  using metal prices of US\$1.15/lb Zn, US\$1.05/lb Pb, \$3.05/lb Cu, US\$19.40/oz Ag, and 1,250/oz Au, without applying metallurgical recoveries.

## Outlook & Growth

Ascendant is very pleased to have delivered consistent production growth at El Mochito since acquiring the mine in December 2016. The Company has been successful at increasing contained metal production and throughput reaching record levels in 2018 and improving the grade profile through better dilution controls in the mine. With record metal production levels achieved in Q3/18, operations had strong momentum entering the fourth quarter.

The Company has also been successful in reducing direct operating costs over the course of the year. Direct

operating costs in third quarter 2018 were higher than anticipated due to an increase in the cost of power and a higher allocation of fixed costs expensed as direct operating costs instead of being capitalized due to lower waste development. With improvements already being realized in the fourth quarter 2018, the Company expects to be well within 2018 operational guidance for the year. Due to recent and further anticipated volatility in metal prices, the Company believes prior guidance as it relates to financial metrics, which had been based on higher prices for H2 2018, are no longer reliable.

#### 2018 Operational Guidance:

##### Guidance

##### Contained Metals in Concentrate

~~25~~ &ndash; 105 million lbs<sup>4</sup>

~~20~~ &ndash; 66 million lbs

~~1.8~~ &ndash; 22 million lbs

~~800,000~~ &ndash; 950,000 ozs

~~\$70~~ &ndash; Operating Costs

~~\$24~~ &ndash; Capex, \$27 million

<sup>4</sup> Figures are based on the following metal price assumptions for the second half of 2018 \$1.20/lb zinc, \$0.95/lb lead and

Throughout the third quarter 2018, metal prices weakened as pressure from global trade tensions intensified. While it is the Company's view that fundamentals remain little changed and continue to strongly support structural supply deficits for the next few years due to a continued depletion in global inventories for base metals, the Company also understands it must remain dedicated to further advancing cost reductions to generate robust profitability and free cash flow generation in any reasonable metals price environment. As such, in November 2017, the Company began working on multiple long-term initiatives aimed at reducing costs and improving productivity and, in October 2018, announced the results of a Preliminary Economic Assessment ("PEA") for the expansion and optimization of operations at El Mochito. For further details, please refer to the Company's press release dated October 22, 2018.

#### Highlights of the Preliminary Economic Assessment for the Expansion Project include:

- 27% increase in processed tonnes to 2,800 per day (approximately 1 million tonnes per annum)
- 26% increased average annual contained ZnEq<sup>1</sup> production to 126 million lbs per year
- 22% reduction in average direct operating costs
- 18% reduction in average mine AISC to \$0.96/lb payable ZnEq produced
- \$83M project NPV<sup>8%</sup> incrementally added to El Mochito cash flow
- 57% project IRR after taxes and royalties
- \$32.8 million project capex funded through non-dilutive financing
- 2-year project construction and commissioning period

The PEA outlines a substantial Internal Rate of Return ("IRR") with a payback period of just under two years. The PEA further presents a robust and compelling opportunity for the Company to position El Mochito as a long-term profitable operation. The PEA assumes a mine life of 10 years inclusive of Inferred Mineral Resources excluding any additional Mineral Resources added from the current 30,000 metre exploration program. The Expansion Project mine plan is based upon the Company's current Mineral Resource Estimate recently released in a National Instrument 43-101 Technical Report in May 2018.

The PEA is focused on decreasing haulage distances through the installation of a new 442 metre subvertical rock-only shaft, which will significantly shorten underground haulage distances, increase hoisting capacity, ventilation and trucking capacity, while decreasing the need for additional mining equipment. The shaft will allow the Company to more easily access the eastern portion of the mine going forward as the majority of Mineral Resource growth identified this year extends eastward in the Santa Elena, Nueva Este, Porvenir, Palmar and Victoria zones. These zones remain open to the east and with the exploration success the Company has achieved with its 2018 exploration program, the expectation is that the mine will continue to grow to the east. In addition to this, the PEA envisions an upgrade to the underground pumping and water management system, reducing overhead costs by changing and reducing the number of pumps, rationalizing pumping columns and installing an effective water clarification system to pump clean water. The PEA also

includes an upgrade to the crushing circuit, process plant, and tailings handling capacity to meet the increased production from the mine. In total, production nameplate capacity is planned to increase to 2,800 tonnes milled per day.

The Company is currently in advanced negotiations with numerous international, local and multilateral financial institutions to secure non-dilutive financing required for the Expansion Project. The Company has received considerable interest from potential financing partners to fund the capital program. Management is confident it will be able to provide an update on the status of the financing in the fourth quarter of this year and anticipates project development will commence in Q1 2019.

The Company is well advanced on its 2018 exploration program at El Mochito. To date, results for 26,679 metres have been released, split between 63% step-out and 27% in-fill drill holes, which continue to deliver higher-grade results. The drilling program is aimed at upgrading current mineral resources as well as extending the operating life of El Mochito. Additional results from the drilling completed to date are still expected in Q4/18. The Company is also focusing exploration work on regional targets on El Mochito's 10,000-hectare land package. El Mochito is an example of a high-temperature carbonate replacement deposit and despite the long history of operations the source of the deposit has not yet been identified indicating significant exploration potential and warranting follow up on the numerous identified targets within the land package.

#### Conference Call

A conference call will be held tomorrow, November 8, 2018, at 10:00am EST to discuss third quarter 2018 operational and financial results.

#### Conference Call Details:

Date of Call: Thursday, November 8, 2018

Time of Call: 10:00am EST

Conference ID: 2598904

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 December 9, 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 September 30, 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 flagship 100%-owned producing El Mochito zinc, lead and silver mine in west-central Honduras, which has been in production since 1948. After acquiring the mine in December 2016, Ascendant spent 2017 implementing a rigorous and successful optimization program restoring the historic potential of El Mochito delivering record levels of production with profitability restored. The Company now remains focused on cost reduction and further operational improvements to drive robust profitability in 2018 and beyond. Expanding and upgrading El Mochito's significant Mineral Reserves and Resources through exploration work for near-mine growth is an ongoing focus for the

Company. With a significant land package of 11,000 hectares in Honduras and an abundance of historical data, there are several regional targets providing longer term exploration upside which could lead to further resource growth.

Ascendant also holds an interest in the high-grade polymetallic Lagoa Salgada VMS Project located in the prolific Iberian Pyrite Belt in Portugal. The Company is engaged in exploration of the Project with the goal of expanding already substantial defined Mineral Resources and testing additional known targets. The Company's acquisition of its interest in the Lagoa Salgada Project offers a low-cost entry point to a potentially significant exploration and development opportunity. The Company holds an additional option to increase their interest in the Project upon completion of certain milestones.

Ascendant Resources is engaged in the ongoing 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.*

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#### *Cautionary Notes to US Investors*

*The information concerning the Company's mineral properties has been prepared in accordance with National Instrument 43-101 ("NI-43-101") adopted by the Canadian Securities Administrators. In accordance with NI-43-101, the terms "Mineral Reserves", "Proven Mineral Reserve", "Probable Mineral Reserve", "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014. While the terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are recognized and required by NI 43-101, the U.S. Securities Exchange Commission ("SEC") 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 lower level of confidence that 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. 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 classification. Likewise, you are cautioned not to assume that all or any part of a Measured or Indicated Mineral Resource will ever be upgraded to 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 ("IFRS") 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, expansion and optimization and the ability to finance such programs, exploration and capital expenditures, the results of exploration campaigns, robust adjusted EBITDA, expectation of expanding the known Mineral Resources at Lagoa Salgada, the Company's guidance, 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, expansion and optimization activities, the success of the Company's exploration activities, exploration and capital expenditures, maintain robust adjusted EBITDA and free cash flow in 2018, the ability to expand known Mineral Resources at Lagoa Salgada, the ability to achieve guidance and undertake various long-term optimization programs and the ability to obtain the necessary funding, 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 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 Mineral Resources, and the potential for variations in grade and recovery rates, uncertain costs of reclamation activities, tax refunds, hedging transactions, the inability of the Company to meet its guidance, 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:*

Adjusted EBITDA	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net income (loss)	\$000's (3,853 )	821	6,025	(10,628 )
<i>Adjusted for:</i>				
Depletion and depreciation	\$000's 1,276	690	3,259	2,042
Interest income/expense	\$000's 401	83	773	220
Accretion expense on rehabilitation liabilities	\$000's 233	317	643	733
Financing charge on termination obligations	\$000's 411	226	1,246	668
Share-based payments	\$000's 165	301	869	1,419
Foreign currency exchange gain/loss	\$000's 126	(14 )	64	765
Income taxes	\$000's (484 )	-	716	-
Adjusted EBITDA	\$000's (1,725 )	2,424	13,595	(4,781 )

*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 September 30, 2018 and 2017:

		Three Months Ended		Nine Months Ended	
		September 30,	September 30,	September 30,	September 30,
		2018	2017	2018	2017
Direct operating cost per tonne milled					
Production expenses (from consolidated income statement)	\$000's	14,984	14,340	52,153	38,911
Add: Termination Liability Payments	\$000's	198	77	676	271
Deduct (Add): Variation in Finished Inventory	\$000's	2,290	2,639	(2,512)	6,628
Deduct: Depreciation in production	\$000's	(1,276)	(676)	(3,259)	(2,028)
Total cash costs (including royalties)	\$000's	16,196	16,380	47,058	43,782
Deduct: Government taxes and royalties	\$000's	(538)	(912)	(3,135)	(1,779)
Direct operating costs	\$000's	15,658	15,468	43,923	42,003
Tonnes Milled	tonnes	191,738	176,035	571,121	457,937
Direct operating cost per tonne milled	\$/tonne	\$81.66	\$87.86	\$76.91	\$91.72
		September 30,	September 30,	September 30,	September 30,
		2018	2017	2018	2017
AISC per ZnEq payable pound sold					
ZnEq payable pounds sold	000's lbs	18,563	15,132	60,360	33,126
Cash Operating Costs Reconciliation					
Direct operating costs	\$000's	15,658	15,468	43,922	42,003
Add (deduct): Variation in Finished Inventory	\$000's	(2,290)	(2,639)	2,512	(6,628)
Cash operating costs	\$000's	13,368	12,829	46,434	35,375
Cash operating cost per ZnEq payable pound sold	\$/ZnEq lb	\$0.72	\$0.85	\$0.77	\$1.07
All-in Sustaining Costs (AISC) Reconciliation					
Total cash operating costs	\$000's	13,368	12,829	46,434	35,375
Add: Government taxes and royalties	\$000's	538	912	3,136	1,779
Add: TC & RCs	\$000's	3,427	3,128	10,478	6,936
Add: G&A, excluding depreciation and amortization	\$000's	1,262	1,656	4,646	4,675
Add: Accretion expense on rehabilitation liabilities	\$000's	233	317	643	733
Add: Sustaining capital expenditure	\$000's	3,688	1,943	14,118	5,513
Total All-in sustaining costs	\$000's	22,516	20,785	79,455	55,011
AISC per ZnEq payable pound sold	\$/ZnEq lb	\$1.21	\$1.37	\$1.32	\$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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