

Torex Announces Q3 2018 Results With Record Gold Production

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(All amounts expressed in U.S. Dollars unless otherwise stated)

TORONTO, Nov. 08, 2018 - [Torex Gold Resources Inc.](#) (the "Company" or "Torex") (TSX:TXG) reports the Company's financial results for the three and nine months ended September 30, 2018.

Fred Stanford, President & CEO of Torex stated:

"This was an excellent quarter with record gold production of over 100,000 ounces as the Company successfully continues toward full ramp-up. Grades processed were above LOM average, recoveries above design, and plant throughput is ramping toward design levels by year end. In October, throughput averaged above 13,300 t/d, inclusive of two maintenance days to replace the liners in the ball mill.

The SART plant is operating well and delivered a \$48 per ounce reduction in costs, including byproduct credits. By year-end, the SART plant is expected to be delivering a net \$65 per ounce benefit and this is expected to be the performance in future years.

Sub-Sill has ramped up to approximately 500 t/d by quarter end. Subsequent to the end of the quarter the second access to the mine was connected, which will facilitate design ventilation volumes and completing the ramp-up to 850 t/d by year end. As expected, grades from the Sub-Sill are highly variable. Quarterly grade reconciliation reporting will be suspended until we have enough experience and definition drilling in this deposit to make the reconciliation meaningful. Diamond drilling on this deposit and El Limon Deep (ELD) continue, with 5 rigs deployed.

Growth and innovation also advanced in the quarter. A technical report was completed, which included an updated PEA for Media Luna. In-fill drilling also made good progress, with 5 drills now active on Media Luna, with one drill soon to be mobilized to a porphyry target. Our proprietary Muckahi Mining System was also introduced in the quarter. The first machine for this system is expected to be shipped to site in the next few weeks, for testing in the ELD area.

In conclusion, Q3 was a solid quarter with excellent progress in operating stability, and growth initiatives through exploration and innovation. We all look forward to continuing to deliver on these strategic initiatives."

This release should be read in conjunction with the Company's September 30, 2018 Financial Statements and MD&A on the Company's website or on SEDAR.

HIGHLIGHTS

- Record gold production in the quarter totalled 100,346 ounces in dore, and an additional 1,135 ounces in carbon fines. Gold produced for the nine months totalled 246,309 ounces in dore, and an additional 11,322 ounces in carbon fines.
- Record mine production in the quarter totalled 11,092 kt, averaged 120,561 tpd. For the nine months, mine production totalled 21,326 kt, averaged 82,658 tpd.
- Mine ore production in the quarter totalled 1,246 kt, averaged 13,539 tpd. For the nine months, mine ore production totalled 3,095 kt, averaging 11,995 tpd.
- Grade mined in the quarter averaged 2.60 gpt, and 2.66 gpt for the nine months.

- Plant throughput in the quarter of 1,170 kt, averaged 12,717 tpd. Plant throughput in the nine months of 2,955 kt, averaged 11,453 tpd.
- Grade processed in the quarter averaged 3.01 gpt and 2.99 gpt for the nine months.
- Gold recovery averaged 89% in the quarter and 88% in the nine months, higher than design expectations.
- SART plant construction is complete and has been turned over to the operating team to continue the ramp up to design capacity. In the quarter, cost savings from the SART plant, including by-product revenues, and recovery improvements were \$48 per ounce.
- Principal repayments of \$14.1 million in the quarter and \$36.3 million in the nine months were made to reduce the Term Loan under the Debt Facility to \$263.7 million.

Technical Report (“TR”) confirms status as a producer in the lowest cost quartile

- The Company completed an updated TR including a life of mine plan for its producing El Limón Guajes (“ELG”) Mine Complex, that has increased average annual gold production to 430,000 ounces per year, from 2019 to 2023.
- The TR contains an updated Media Luna Preliminary Economic Assessment (“PEA”),¹ with an after-tax Net Present Value (“NPV”) discounted at 5% of \$582.0 million, and an after-tax internal rate of return (“IRR”) of 27%. For purposes of illustration, the TR includes a Media Luna design utilizing a conceptual new underground mining technology that Torex is developing. The new technology, called the Muckahi Mining System (“Muckahi”),¹ shows the potential to increase the Media Luna Project, NPV by \$197.0 million and after-tax IRR to 46%. If proven, the Muckahi technology could be applicable to many other underground deposits.

Initial results from the Media Luna in-fill diamond drilling program²

- The Company announced the results from the first 23 holes, of a planned 175 hole in-fill drilling program at its Media Luna Project. Highlighted intercepts from this program include 10.5 gpt Au Eq. over 39.2m in borehole ML18-222A, 7.0 gpt Au Eq. over 49.6m in borehole ML18-215, 7.1 gpt Au Eq. over 45.9m in borehole ML18-219W and 8.3 gpt Au Eq. over 22.6m in borehole ML18-208W.
- This is consistent with the results from the earlier 100m centers program and bodes well for the potential of the deposit to live up to expectations. There are currently 5 drills active on the Media Luna Project. On average each drill completes two holes per month, which suggests completion of the program at the end of 2019.
- Significant testing of Muckahi is expected to be completed by the end of 2019; land lease negotiations for Media Luna have been completed and permitting baseline work is underway.

Financial results

- Gold sold for the quarter totalled 102,919 ounces for total proceeds of \$124.9 million at an average realized gold price³ of \$1,214 per ounce. Gold sold for the nine months ended September 30, 2018 totalled 243,471 ounces for total proceeds of \$309.7 million at an average realized gold price³ of \$1,272 per ounce.
- Revenue totalled \$126.4 million and cost of sales totalled \$94.7 million, or \$920 per ounce of gold sold for the quarter. Revenue totalled \$312.2 million and cost of sales totalled \$238.2 million, or \$978 per ounce of gold sold for the nine months ended September 30, 2018.
- Earnings from mine operations totalled \$31.7 million for the quarter, and \$74.0 million for the nine months ended September 30, 2018.
- Income before income tax totalled \$28.4 million for the quarter, and \$40.0 million for the nine months ended September 30, 2018.
- Net income after current and deferred income tax expense totalled \$23.9 million or \$0.28 per share on a basic and diluted basis for the quarter, and \$21.8 million, or \$0.26 per share on a basic and diluted basis for the nine months ended September 30, 2018. The strengthening of the peso favourably impacted the deferred tax expense calculated for the period.
- Adjusted net earnings³, which excludes, amongst other items, unrealized derivative and foreign exchange gains and losses, totalled \$7.3 million, or \$0.09 per share on a basic and diluted basis for the quarter, and \$5.8 million, or \$0.07 per share on a basic and diluted basis for the nine months ended September 30, 2018.
- Cash flow from operations totalled \$77.8 million for the quarter, and \$167.5 million for the nine months ended September 30, 2018.
- Cash balances as at September 30, 2018 totalled \$148.2 million (including restricted cash of \$26.6 million).
- Total cash costs³ of \$590 per ounce of gold sold for the quarter, and \$655 per ounce of gold sold for the nine months ended September 30, 2018.

- All-in sustaining costs³ of \$967 per ounce of gold sold for the quarter, and \$980 per ounce of gold sold for the nine months ended September 30, 2018.
- Ore in stockpile as at September 30, 2018 was 0.9 million tonnes at an average estimated grade of 1.43 gpt.
- Full year guidance is unchanged from initial release.

Qualified Persons

Scientific and technical information contained in this news release has been reviewed and approved by Dawson Proudfoot, P.Eng., Vice President, Engineering of [Torex Gold Resources Inc.](#) and a Qualified Person under NI 43-101 – Standards of Disclosure for Mineral Projects.

Conference Call

The Company will host a conference call today at 9:00 am (ET) where senior management will discuss the third quarter of 2018 operational and financial results. Access the conference call as follows:

Webcast access: A live audio webcast of the conference call will be available on the Company's website at www.torexgold.com.

*Telephone access: Please call the numbers below approximately ten minutes prior to the scheduled start of the call. Toronto local or international 1 (416) 915-3239
Toll-Free (North America) 1 800-319-4610
Toll-Free (France) 0 800-900-351
Toll-Free (Switzerland) 0-800-802-457
Toll-Free (United Kingdom) 0 808-101-2791*

The webcast will be archived on the Company's website.

About Torex

Torex is an intermediate gold producer based in Canada, engaged in the exploration, development and operation of its 100% owned Morelos Gold Property, an area of 29,000 hectares in the highly prospective Guerrero Gold Belt located 180 kilometers southwest of Mexico City. The Company's principal assets are the El Limón Guajes mining complex (the "ELG Mine Complex"), comprised of the El Limón, Guajes and El Limón Sur open pits, the El Limón Guajes underground mine including zones referred to as Sub-Sill and El Limón Deep, and the processing plant and related infrastructure, which is in the commercial production stage as of April 1, 2016, and the Media Luna deposit, which is an early stage development project, and for which the Company issued an updated preliminary economic assessment in September 2018. The property remains 75% unexplored.

For further information, please contact:

[Torex Gold Resources Inc.](#)

Fred Stanford
President and CEO
Tel.: (647) 260-1502
Email: fred.stanford@torexgold.com

Gabriela Sanchez
Vice President Investor Relations
Tel.: (647) 260-1503
Email: gabriela.sanchez@torexgold.com

CAUTIONARY NOTES

PRELIMINARY ECONOMIC ASSESSMENT

A preliminary economic assessment should not be considered a prefeasibility study or feasibility study, as the economics and technical viability of the Media Luna Project have not been demonstrated at this time. The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized

as mineral reserves. It cannot be assumed that all or any part of the inferred mineral resources will ever be upgraded to a higher category. Furthermore, there is no certainty that the conclusions or results as reported in the Media Luna PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Media Luna PEA includes information on Muckahi. It is important to note that Muckahi is experimental in nature and has not been tested in an operating mine. Many aspects of the system are conceptual, and proof of concept has not been demonstrated. Drill and blast fundamentals, standards and best practices for underground hard rock mining are applied in the Muckahi, where applicable. The proposed application of a monorail system for underground transportation for mine development and production mining is unique to underground hard rock mining. There are existing underground hard rock mines that use a monorail system for transportation of materials and equipment, however not in the capacity described in the TR. Aspects of Muckahi mining equipment are currently in the design stage. The mine design, equipment performance and cost estimations are conceptual in nature, and do not demonstrate technical or economic viability. The approximate timeframe to develop and test the concept would be approximately two years (approx. second quarter 2020) for the mine development activities and up to five years for the mine production activities (approx. second quarter 2023). Further studies would be required to verify the viability of Muckahi. Muckahi is not intended as a "trade off study" but is shown to merely demonstrate the potential benefits Muckahi may have using the Media Luna deposit as an example. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

FORWARD LOOKING STATEMENTS

This press release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation. Notwithstanding the Company's efforts, there can be no guarantee that the Company will not face unforeseen delays or further disruptions of its operations. Forward-looking information also includes, but is not limited to, the results of the Media Luna PEA, the Company will achieve the full year guidance as initially released, the expected successful completion of the ramp-up, including, the ramp-up of the processing plant to consistently produce at design rates by year-end and the ramp up of Sub-Sill ore production, completing the commissioning and ramp up of the SART plant and achieving the expected net benefits (including cost reductions), the completion and timing of the drilling program on Media Luna, including the porphyry target, the expected potential for the in-fill drilling program on the Media Luna Project to confirm the earlier results based in the in-fill drilling results to-date, plans to further examine the potential of the new mining technology (Muckahi) including the expected timing and completion of the testing of the first prototype and the testing of the completed system, projected annual gold production, and continued safety and security. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or "potential" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including, without limitation, uncertainty as a result of the preliminary nature of the PEA and the Company's ability to realize the results of the PEA, uncertainty regarding the inclusion of inferred mineral resources in the mineral resource estimate, uncertainty involving resource estimates and the ability to extract those resources economically, or at all, risks associated with skarn deposits, uncertainty involving drilling programs and the Company's ability to upgrade existing resource estimates, the regulatory process and actions, the success of the Muckahi mining system, ability to finance the Media Luna Project on reasonable terms, and those risk factors identified in the TR and the Company's annual information form and management's discussion and analysis. Forward-looking information are based on the assumptions discussed in the TR and such other reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances at the date such statements are made. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, whether as a result of new information or future events or otherwise, except as may be required by applicable securities laws.

¹ A preliminary economic assessment should not be considered a prefeasibility study or feasibility study, as the economics and technical viability of the Media Luna Project have not been demonstrated at this time. The Media Lunas PEA (as defined in this MD&A) is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. It cannot be assumed that all or any part of the inferred mineral resources will ever be upgraded to a higher category. Furthermore, there is no certainty that the conclusions or results as reported in the Media Luna PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Media Luna PEA includes information on Muckahi. It is important to note that Muckahi is experimental in nature and has not been tested in an operating mine. Many aspects of the systems are conceptual, and proof of concept has not been demonstrated.

² For more information on the drill results, see the Company's news release titled "Torex Reports Initial Results from the Media Luna In-fill Diamond Drilling Program" issued on October 25, 2018, and filed on SEDAR at www.sedar.com and on the Company's website at www.torexgold.com.

³ Refer to "Non-IFRS Financial Performance Measures" in the Company's Q3 2018 Management's Discussion and Analysis for further information and a detailed reconciliation.

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