

Fiore Gold Announces Full Year 2018 Results

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VANCOUVER, January 24, 2019 - [Fiore Gold Ltd.](#) (TSXV: F) (OTCQB: FIOGF) ("Fiore" or the "Company") is pleased to announce that its financial statements and management's discussion and analysis for the financial year ended September 30, 2018 ("FY2018") 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.

Fiore had multiple successes in its first full year of operation and is pleased to report the following key highlights:

2018 Annual Consolidated Operational and Financial Information

- Gold production of 34,297 ounces and gold sales of 34,688 ounces
- Recorded annual revenues of \$44.38 million and mine operating income of \$12.77 million
- Full-year mined ore production averaging 14,228 tons per day ("tpd"), ahead of planned rate of 14,000 tpd
- All-in sustaining costs ("AISC")¹ per ounce sold of \$1,063 and cash costs per ounce sold of \$820
- Generated Pan stand-alone operating cash flow \$10.40 million and consolidated operating cash flow of \$4.43 million
- Maintained a strong balance sheet with no debt and working capital of \$18.12 million as of September 30, 2018
- 83,690 man-hours worked in FY2018, achieving our goal of zero reportable incidents, zero reportable accidents, and zero lost-time injuries. As of September 30, the operation was at 865 consecutive days of attaining this Triple-Zero achievement.
- Our operations team at Pan was selected to receive the Small Mine Safety Award from the Nevada Mining Association for the third consecutive year, 2015, 2016 and 2017
- The United States Bureau of Land Management ("BLM") has issued the Record of Decision for the Company's 100%-owned Gold Rock project, located approximately 8 km southeast of our Pan Mine. This completes the federal permitting process required for the construction of a mine on the Gold Rock property.

1 AISC are presented as defined by the WGC less corporate general and administrative expenses and corporate share-based compensation expenses. Please refer to Non-IFRS Financial measures in the Management's Discussion and Analysis for the years ended September 30, 2017 and 2018. Corporate general and administrative expenses and corporate share-based compensation expenses are \$154 per ounce for the full year 2018.

Q4 2018 Consolidated Operational and Financial Information

- Gold production of 8,993 ounces and gold sales of 8,964 ounces
- Recorded revenues of \$10.83 million and mine operating income of \$2.51 million
- Mined ore production at 13,186 tpd
- AISC² per ounce sold of \$893 and cash costs per ounce sold of \$825
- Generated Pan stand-alone operating cash flow \$1.53 million and consolidated operating cash flow use of \$0.25 million

2 AISC are presented as defined by the WGC less corporate general and administrative expenses and corporate share-based compensation expenses. Please refer to Non-IFRS Financial note at end of news release. Corporate general and administrative expenses and corporate share-based compensation expenses are \$147 per ounce sold for Q4 2018.

Organic Growth Highlights

- The drilling program targeting resource and reserve growth at Pan resulted in almost complete replacement of Measured and Indicated ("M+I") resources mined in the 19 months since declaring commercial production, and a significant growth in Inferred resources even after allowing for mining depletion.
- Completion of an eight-hole exploration drilling program at Gold Rock to test areas of potential mineralization along strike from the current historical resource commenced during Q4 2018 and concluded during early Q1 of FY2019, with the identification of the mineralized lithology, structure and alteration as well as gold mineralization several kilometers north of the existing resource area.

Tim Warman, Chief Executive Officer of Fiore, commented: "With a first full year of successful operations behind it and a strong resource update, Pan is set up well to be a foundational asset for Fiore. The operational ramp-up occurred smoothly while maintaining our strong safety and environmental record, a true testament to the operating team. With the BLM issuing the Record of Decision on our Gold Rock project, the stage is also set for the next leg to our growth story in Nevada. Our next steps include extending the Pan mine life with a life of mine update in calendar Q1 2019, optimizing Pan operations with the addition of a crusher, as well as building on the resource base at Gold Rock. We look forward to progressing these key initiatives while maintaining our balance sheet strength".

Gold production of 34,297 ounces was near the lower end of the guidance range of 35,000 to 40,000 ounces as ore tons mined and related grade largely tracked in line with expectations. All-in sustaining costs for 2018 were \$1,063 per ounce sold, trending downward throughout the year with Q4 2018 all-in sustaining costs \$893 per gold ounce sold. During this period of growth, Pan maintained its strong safety record achieving our goal of zero reportable incidents, zero reportable accidents, and zero lost-time injuries through fiscal 2018. Importantly, the Pan Mine generated \$10.40 million of operating cash flow in its ramp-up year, even with the final quarter being impacted by a relatively low average realized gold price of \$1,208 per ounce. Consolidated Fiore operating cash flow, net of corporate and other costs, was \$4.43 million. In the year, Fiore prioritized its cash to key investments in expanding Pan's leach pad capacity, exploration projects at both Pan and Gold Rock, as well as on-going funding of its reclamation liability. At September 30, 2018, Fiore had \$6.17 million of cash, zero debt, and \$18.12 million in working capital.

2018 Guidance Review

The following table compares FY2018 guidance with actual results for FY2018:

Ore Mined	('000t)
Waste Mined	('000t)
Total Mined	('000t)
Ore Grade Mined	(oz/t)
Strip Ratio	waste/ore
Gold Ounces Produced	(oz)
Gold Ounces Sold (Payable)	(oz)
Total Cash Costs per Ounce ¹	\$/oz sold
Total Costs of Sales Per Ounce ¹	\$/oz sold
All-in Sustaining Costs ^{1, 2}	\$/oz sold
Mine, Processing and Site G&A Costs	\$ millions
Royalties and Treatment/Refining Costs	\$ millions
Capital Expenditures	\$ millions

¹ This is a non-IFRS performance measure. Please refer to Non-IFRS Financial Measures note at end of news release.

² AISC are presented as defined by the WGC less corporate general and administrative expenses and corporate share-based compensation expenses. Presentation has been adjusted during the fiscal year to remove non-sustaining exploration expense to better reflect sustaining costs which do not include expenditures related to sites that are not producing. To align to the presentation of AISC less corporate general and administrative costs, corporate share-based compensation expense has also been adjusted. The adjustment has been made for all periods presented and provides a reader with better information.

Please refer to Non-IFRS Performance measures in the Management's Discussion and Analysis for the years ended September 30, 2017 and 2018. The below table is a reconciliation from prior presentation of 2018 AISC guidance to reflect the removal of non-sustaining exploration expense and corporate shared-based compensation. Corporate general and administrative expenses and corporate share-based compensation expenses are \$154 per ounce for the full year 2018.

2018	2018	Q4 2018		
All-in Sustaining Costs per Ounce Reconciliation		Guidance	Actual	Actual
		\$ 957	\$ 1,143	\$ 998
		(35)	(56)	(95)
		(10)	(24)	(10)
		\$ 912	\$ 1,063	\$ 893

Ore mined during FY 2018 averaged 14,228 ore tpd, which was on the higher end of the guidance range for FY2018, while waste mining fell short of FY2018 guidance. We utilize a third-party contractor, Ledcor CMI, Inc. ("Ledcor") for our mining operations at the Pan Mine. Ledcor experienced challenges attracting and retaining qualified mechanics and equipment operators in a particularly competitive Nevada labor market, resulting in below target availability and utilization for key mining equipment. We continue to work with Ledcor to increase equipment and operator availability, while at the same time working on a new Life of Mine ("LOM") mine plan and schedule that will incorporate the recently updated Pan Mine resource estimates. We have seen some improvement in equipment availability and utilization subsequent to FY2018, with a resulting improvement in waste stripping tonnage thus far during fiscal year 2019.

Gold ounces produced and sold during FY2018 fell just short of the lower end of the guidance range. Ore grade mined being on the lower end of the guidance range at 0.014 ounces per ore ton and the rate at which gold has come off the leach pad has been slightly slower than originally anticipated.

Mine, processing and site G&A costs were in line with guidance, however the gold production and gold sales being short of the guidance range resulted in our total cash costs per ounce, total costs of sales per ounce and AISC being higher than guidance.

Key Developments

Pan Mine

A drilling program aimed at extending the mine life at Pan encompassed 28,790 feet (over 8,800 m) of developmental and exploration drilling during the year. An updated resource estimate released subsequent to FY2018 (refer to news release dated December 3rd, 2018) showed almost complete replacement of M+I resources mined in the 19 months since declaring commercial production (which averaged approximately 12,500 ore tons mined per day), and a significant growth in Inferred resources even after allowing for mining depletion. Work on a new mineable reserve LOM plan and schedule is currently underway on the updated resource estimate. The updated mine plan, which is expected in calendar Q1 2019, will focus on exploiting the updated resources to extend the current mine life while attempting to reduce the strip ratio, particularly in the latter half of FY2019.

With respect to crushing options at Pan, we have completed our operating and financial evaluation and have concluded the mine will strongly benefit from the addition of a single-stage crushing and agglomeration circuit. We are currently developing specifications and an operating plan, as well as working on securing funding for the capital project. We expect to have details of the crusher addition finalized in calendar Q1 2019.

Looking forward, we expect to complete our updated reserve and LOM plan during calendar Q1 2019. This updated plan will incorporate the updated resource issued on December 3rd, 2018. Once the updated reserve is complete, along with the final details and timing on the crushing circuit, we will issue guidance for 2019.

Gold Rock

The United States Bureau of Land Management has issued the Record of Decision for the Company's 100%-owned Gold Rock project, located approximately 8 km southeast of our Pan Mine, marking the completion of the federal permitting process required for the construction of a mine on the Gold Rock property. This represents a major milestone for Fiore and we look forward to progressing the project.

On October 25, 2018, we filed a current technical report for Gold Rock. Gold Rock currently hosts an Indicated resource of 238,700 gold ounces (9.0 million tonnes at 0.82 g/t gold), and an Inferred resource of 180,900 gold ounces (7.8 million tonnes at 0.72 g/t gold). We also completed eight exploration holes targeted three of nine previously-identified target areas north of the Gold Rock resource area. All eight holes intercepted the targeted Joanna Limestone unit, with six of the eight holes encountering anomalous gold mineralization. Having demonstrated that gold mineralization is present for a considerable distance along the EZ fault and anticline structure, we also increased our coverage along this structure through the acquisition of the Ely Gold claims. Fiore now controls approximately 16.5 km of strike length along the prospective EZ structure.

The next phases of drilling at Gold Rock are currently being planned for follow-up drilling at the three recently-confirmed targets, as well as drilling to expand the existing resource. A priority target will be the central portion of the 2018 resource area, between the two resource pits. This area was not included in the current resource and has seen only limited, widely-spaced, vertical holes that in many cases stopped in the upper portion of the mineralization. The deposit also remains open to the north of the existing resource area, where drilling density drops off rapidly.

Full-year 2018 Results

Financial Results of Operations	Twelve Months ended September 30, 2018
Select Items - On a Consolidated Basis	\$000's
Revenue	44,381
Mine Operating Income	12,773
Income / (Loss) from Operations	4,672
Operating Cash Flow	4,425
Unrealized Gain (Loss) on Change in FV of Warrant Derivative	6,409
Net Income / (Loss)	1,127
Financial Position as of:	September 30, 2018
Select Items - On a Consolidated Basis	\$000's
Cash	6,167
Inventories	13,201
Total Current Assets	20,397
Mineral Property, Plant and Equipment, net	16,801
Total Assets	43,603
Total Current Liabilities	(2,274)
Long-Term Liabilities	(4,833)
Working Capital Surplus	18,123

As 2018 was the first full operating year for the Pan Mine, all key income statement and cash flow metrics improved significantly compared to 2017. Fiore sold 34,688 ounces at an average realized gold price of \$1,279 per ounce resulting in revenue of \$44.38 million. Mine operating income was \$12.77 million compared to \$1.80 million for the comparative 2017 period. Operating cash flow was \$4.43 million relative to a use of \$7.18 million in 2017. Q4 2018 operating cash flow was a use of \$0.25 million, a period impacted by relatively low average realized price of gold of \$1,208 per ounce, elevated stripping of waste, and an increase of non-sustaining exploration expenses as we conducted an eight-hole drilling program at the Gold Rock project.

The cash balance decreased relative to September 30, 2017 by \$8.96 million, primarily reflecting the investment in the Phase II heap leach pad, exploration expenditures at Pan and Gold Rock, as well as contributions to the Pan reclamation deposit. As of September 30, 2018, we continue to have a strong working capital surplus of \$18.12 million, consisting of current assets of \$20.40 million and current liabilities of \$2.27 million.

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 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 to complement our existing operations

***Note on AISC Presentation**

The Company has adjusted the presentation of AISC in the current quarter to remove non-sustaining exploration expense to better reflect sustaining costs which do not include expenditures related to sites that are not producing. To align to the presentation of AISC less corporate general and administrative costs, corporate share-based compensation expense has also been adjusted. The adjustment has been made for both the current period and prior year comparative periods and provides a reader with better information. The below table is a reconciliation from prior presentation of AISC to reflect the removal of non-sustaining exploration expense and corporate share-based compensation.

All-in Sustaining Costs per Ounce Reconciliation

AISC per Ounce as Previously Presented	\$/oz
Less:	
Non-Sustaining Exploration	\$/oz
Corporate Share-Based Compensation	\$/oz
AISC per Ounce as Currently Presented	\$/oz

Qualified Person

The scientific and technical information relating to Fiore Gold's properties contained in this news 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

Contact Us:

info@fioregold.com
1 (416) 639-1426 Ext. 1
www.fioregold.com

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.

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 incorporates 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, non-sustaining capital expenditures, non-sustaining exploration expense 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”, “cost of sales per ounce”, “all-in sustaining costs per ounce”, “Corporate G&A and SBC per ounce”, “Non-sustaining exploration per ounce”, “Pan operating income” and “Pan operating cash flow” 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.

“Average realized price” is a financial measure with no standard meaning under IFRS. Management uses this measure to better understand the price realized in each reporting period for gold sales. Average realized price excludes from revenues unrealized gains and losses, if applicable, on non-hedge derivative contracts. The average realized price is intended to provide additional information only and does not have any standardized definition under IFRS; it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate this measure differently.

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 at the Pan Mine, extending the mine life at the Pan Mine, work on a new mineable reserve at the Pan Mine, future stripping ratios, future performance of the contract miner at the Pan Mine, estimates of mineral resources, potential addition of crushing and agglomeration circuit at the Pan Mine, timing of decision to add a crushing and agglomeration circuit, economics and benefits anticipated with potential additional of crushing and agglomeration circuit, ability to finance the addition of a crushing and agglomeration circuit, growth prospects in Nevada, future drilling, expected results for drill programs at the Gold Rock project, development and advancement of the Gold Rock Project, timing of a resource estimate for the Gold Rock project, exploration and development of the Gold Rock project, all of the future planned development, construction and operations described in the Final Environmental Impact Statement and Record of Decision for the Gold Rock Mine project, ability to generate operating cash flow, ability to maintain balance sheet strength, future financial performance, company outlook, 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; possibility that the Gold Rock Record of Decision will be appealed and that such an appeal may be successful; 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 filings 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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