

Anaconda Mining Sells 5,251 Ounces of Gold In Q1 2019, Generating \$8.8m in Revenue

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TORONTO, April 11, 2019 - [Anaconda Mining Inc.](#) ("Anaconda" or the "Company") (TSX: ANX) (OTCQX: ANXGF) is pleased to announce production results and certain financial information from the three months ended March 31, 2019 ("Q1 2019"). All amounts are in Canadian Dollars. The Company expects to file its first quarter financial statements and management discussion and analysis by May 2, 2019.

First Quarter 2019 Highlights

- Anaconda sold 5,251 ounces of gold in Q1 2019, a 16% increase over Q1 2018, generating gold revenue of \$8.8 million at an average realized gold price of \$1,671 per ounce sold¹. The Company also had 749 ounces in gold doré bars in inventory as of March 31, 2019, which were sold in early April.
- The Company produced 77,367 tonnes of ore during the first quarter from mining at the Stog'er Tight Mine. Materiality also included 45,120 tonnes of waste development for a planned pushback of the Pine Cove Pit in anticipation of the second quarter.
- The Company ended the first quarter with stockpile of over 30,600 tonnes of ore at an estimated average grade of 1.2 g/t per tonne ("g/t").
- The Pine Cove Mill processed 79,758 tonnes during Q1 2019, a 27% reduction compared to Q1 2018 due to lower availability resulting from planned maintenance activities on the main ball mill, unplanned maintenance of the regrind mill and the decision to accelerate other maintenance programs to minimize future down time. The regrind mill was back in operation during the first week of April and the Company expects normal mill operations for the remainder of the year.
- In February 2019, the Company announced the results of a 3,434-metre drill program that began in November 2018. The program included drilling around the Pine Cove and Stog'er Tight mines, successfully infilling and extending mineralization margins of the existing pit outlines at both sites.
- The Company continues infill drilling at the Argyle Deposit, with the initial 525 metres in the western portion of the deposit intersecting approximately the same thickness of previous drilling in this area but with approximately 25% higher grade.
- In March 2019, the Company executed a \$5 million term loan with the Royal Bank of Canada ("RBC") with a two- and 4.6% interest rate, to provide enhanced financial flexibility and to complete all pre-construction activity at its 100% owned Goldboro Gold Project in Nova Scotia ("Goldboro").
- As at March 31, 2019, the Company had a cash balance of \$10.7 million, preliminary working capital¹ of \$4.3 million and an additional available liquidity of \$1,000,000 from an undrawn revolving line of credit facility.

¹ Refer to Non-IFRS Measures Section below.

"Anaconda is off to a good start in 2019 with over 5,200 ounces of gold sold and the mining operations at its Point Rouseau Mine achieving strong results at the Stog'er Tight Mine, where we achieved higher than planned ore tonnes and established a stockpile of over 30,000 tonnes to end the quarter. The delay in the shipment of trunnion liners and unplanned maintenance of the regrind mill at the Pine Cove Mill, combined with the planned maintenance on the primary ball mill, impacted mill availability in March, and the Company took the opportunity to advance various maintenance programs and make other mechanical improvements in the mill. While the resulting lower throughput rate marginally impacted quarterly gold production from a volume perspective we have greatly improved asset reliability and efficiency going forward. The Pine Cove Mill was back running during the first week of April and the Company continues on track to produce and sell between 19,000 and 20,000 ounces of gold from the Point Rouseau Project in 2019."

~ Kevin Bullock, CEO, [Anaconda Mining Inc.](#)

First Quarter Operating Statistics

	Three months ended March 31, 2019	Three months ended March 31, 2018
Mine Statistics		
Ore production (tonnes)	77,367	143,840
Waste production (tonnes)	279,412	250,132
Total material moved (tonnes)	356,779	393,972
Waste: Ore ratio	3.6	1.7
Mill Statistics		
Availability (%)	78.1	93.4
Dry tonnes processed	79,758	109,219
Tonnes per day	1,135	1,300
Grade (grams per tonne)	1.92	1.44
Recovery (%)	84.8	85.2
Gold Ounces Produced	4,176	4,293
Gold Ounces Sold	5,251	4,526

Operations Overview for the Three Months Ended March 31, 2019

Anaconda sold 5,251 ounces of gold during the first quarter of 2019, generating gold revenue of \$8.8 million at an average realized gold price¹ of \$1,671 per ounce sold. The 16% increase in gold sold over Q1 2018 was due to ounces in gold doré inventory from year-end being sold in January. Gold production of 4,176 ounces was 3% lower than Q1 2018, largely from the impact of lower mill availability due to planned maintenance on the main ball mill and unplanned maintenance for the regrind mill due to delayed shipment of trunnion liners, and the consequent decision to accelerate other maintenance programs (see details below). The Pine Cove Mill returned to operation during the first week of April. While the lower availability and the resulting throughput rate impacted quarterly production from a timing perspective, the Company was able to minimize gold recovery losses and greatly improve asset reliability and efficiency going forward. Further, mining operations continued during this period and the operation has established a robust stockpile of over 30,600 tonnes as at quarter-end.

The Company remains on track to produce and sell between 19,000 and 20,000 ounces of gold from continued mining at Stog'er Tight and pushbacks to the Pine Cove Pit, and the commencement of mining at Argyle in the second half of the year. While the final mining permits for Argyle are pending, the Company continues to finalize a mineral resource update and mine planning, which will incorporate the additional drilling completed since the last Mineral Resource Estimate as well as ongoing infill drilling. Mill throughput will be maintained throughout the year with marginal ore stockpiles available to supplement mill feed, although the Company continues to investigate opportunities to defer processing marginal ore.

¹ Refer to Non-IFRS Measures Section below.

Point Rousse Mill Operations – The Pine Cove Mill processed 79,758 tonnes during Q1 2019, down 27% compared to the first quarter of 2018 due to lower mill availability from a combination of the planned maintenance on the main ball mill with routine replacement of the mill liners, lifters and trunnions and delayed shipment of trunnion liners and unplanned maintenance on the head of the regrind mill. The failure

of the regrind mill also impacted the throughput rate during the quarter, in addition to adverse weather conditions in the earlier part of the quarter impeding the rate of crushing.

When the regrind mill was taken off-line, a back-up stirred media detritor ("SMD") system was initiated to maintain a certain level of throughput, however it was noted that the system was not able to maintain the optimal grind size and leach capabilities, leading to recovery losses. To minimize any loss of gold production, the mill temporarily ceased operations to allow for the completion of rebuild of the regrind mill head and to opportunistically complete many significant maintenance programs, including the replacement of the trunnion liners and a full lifter and liner change on the primary ball mill, the repair of the electric motor on the primary ball mill, repairs to the screen box in the crushing circuit, and the replacement of valves and piping in the flotation circuit.

Average grade during Q1 2019 was 1.92 g/t, a 33% increase over the first quarter of 2018, and consistent with the fourth quarter of 2018 when Stog'er Tight became the main ore feed to the Pine Cove Mill. The mill achieved an average recovery rate of 84.8%, resulting in gold production of 4,176 ounces for the first quarter of 2019. The average recovery rate decreased compared to both Q1 2018 and the fourth quarter of 2018, as leach recoveries were impacted by the absence of the regrind mill in March, and the back-up SMD system was not able to maintain the optimal grind size. In February, when ore feed was predominantly from Stog'er Tight and the regrind mill was on-line, the mill achieved an average recovery of 88.5%.

Point Rouse Mine Operations – During the first quarter of 2019, the mine operations produced 77,367 tonnes of ore from the Stog'er Tight Mine. Mine operations also included 45,120 tonnes of waste from pushbacks at the Pine Cove Pit, where development activity is ongoing in preparation for mining in the second quarter. Ore tonnes for the quarter were higher than expected, with production results demonstrating a positive variance against the block model underlying the mine plan. As at March 31, 2019, the operation had stockpiled over 30,600 tonnes of ore with an estimated average grade of 1.73 g/t.

The mine operations achieved a strip ratio of 3.6 waste tonnes to ore tonnes at Stog'er Tight, a further decrease from the previous two quarters as mining progresses deeper into the pit. The strip ratio was expected to increase in the first quarter of 2019 with the development of pushbacks to the Pine Cove Pit, however increased ore recovery from the Stog'er Tight west pit compared to the mine plan due to localized ore flattening and rolling, weather, and the timing of the addition of a second mining crew has deferred the related waste development into the second quarter. The strip ratio has increased compared to Q1 2018, when higher-tonnage mining was occurring in the final benches at the bottom of the Pine Cove Pit.

Ore mined during Q1 2019 was down significantly over the first quarter of 2018, which reflects the lower tonnage profile of mining at Stog'er Tight compared to the Pine Cove Pit, which was the main mining area in the prior period. From a production perspective, the lower tonnes mined is offset by the higher relative grade profile of Stog'er Tight, as demonstrated by the 33% increase in mill grade in Q1 2019 compared to the comparative period.

Qualified Person

Gordana Slepcev, P. Eng., Chief Operating Officer, [Anaconda Mining Inc.](#), is a "qualified person" as such term is defined in National Instrument 43-101 and has reviewed and approved the technical information and data included in this press release.

ABOUT ANACONDA

Anaconda Mining is a TSX and OTCQX-listed gold mining, development, and exploration company, focused in the top-tier Atlantic Canadian jurisdictions of Newfoundland and Nova Scotia. The Company operates the Point Rouse Project located in the Baie Verte Mining District in Newfoundland, comprised of the Stog'er Tight Mine, the Pine Cove open pit mine, the Argyle Mineral Resource, the fully-permitted Pine Cove Mill and tailings facility, deep water port, and approximately 9,150 hectares of prospective gold-bearing property. Anaconda is also developing the Goldboro Gold Project in Nova Scotia, a high-grade Mineral Resource, subject to a 2018 a preliminary economic assessment which demonstrates strong project economics. The Company also has a wholly owned exploration company that is solely focused on early stage exploration in Newfoundland and New Brunswick.

NON-IFRS MEASURES

