

Fiore Gold Delivers Back to Back Quarters of Record Gold Production and Improving Liquidity

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VANCOUVER, August 28, 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 third fiscal quarter (“Q3 2019”) ended June 30, 2019, 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](#).

Q3 2019 Operating, Financial and Organic Growth Highlights
(all figures in U.S. dollars unless otherwise indicated)

Operating Highlights

- Record quarterly gold production of 11,685 ounces, a 9% increase over the preceding quarter
- Mined ore production in fiscal Q3 above plan at approximately 14,114 tons per day (“tpd”), with the stripping ratio at 1.7
- 22,638 man-hours worked, achieving our goal of zero reportable incidents, zero reportable accidents, and zero lost-time injuries. Currently the operation is at 1,138 consecutive days of attaining this Triple-Zero achievement
- The operating team at our Pan Mine has received the Small Mine Safety Award from the Nevada Mining Association for the fourth consecutive year, 2015, 2016, 2017 and 2018
- Q3 2019 Pan Mine AISC¹ per ounce sold of \$985 and cash costs per ounce sold¹ of \$928, compared to Q3 2018 Pan Mine AISC¹ per ounce sold of \$952 and cash costs per ounce sold¹ of \$826
- Q3 2019 Fiore consolidated AISC¹ of \$1,120 per ounce sold compared to Q3 2018 of \$1,087 per ounce sold

Financial Highlights

- Recorded quarterly revenues of \$15.16 million with mine operating income of \$3.08 million
- Generated Pan operating cash flow¹ of \$3.12 million and consolidated operating cash flow of \$2.44 million, compared to Pan operating cash flow¹ of \$5.82 million and consolidated operating cash flow of \$4.55 million during Q3 of 2018 (Q3 2018 benefited from working capital optimizations in gold sales)
- Third consecutive quarter of cash balance increases, maintaining a strong balance sheet with cash of \$9.71 million and net working capital of \$22.31 million as of June 30, 2019
- Consolidated operating income of \$0.97 million

Organic Growth Highlights

- Transitioning from run of mine to 100% crushed ore placement underway with commissioning of Pan Mine primary crushing circuit
- Drilling and metallurgical work underway at the federally permitted Gold Rock project in support of a Preliminary Economic Assessment (“PEA”) at the end of calendar 2019
- The Board of Directors has approved a drilling program at our Pan Mine aimed at further increasing the reserve base. We anticipate the program to begin late in fiscal Q4 2019 or early fiscal Q1 2020

As a result of the strong operating performance, liquidity continued to improve in the quarter. We generated cash flow from operations of \$2.44 million and the cash balance increased by \$1.42 million over Q2 2019. This is the third consecutive quarter in which the cash balance increased, with June 30, 2019 cash closing at \$9.71 million. The improving liquidity is particularly noteworthy considering the increased stripping in 2019, partial funding of the crusher capital and on-going exploration expenditure.

Tim Warman, Chief Executive Officer of Fiore, commented: "The Pan Mine continues to deliver strong gold production, and more importantly, strong cash flow. It has always been our goal to have cash flow from Pan support our growth initiatives. To that end, we have internally funded a portion of the recently installed crusher and are currently investing in drilling at Gold Rock in support of a PEA at the end of calendar 2019. We then expect to turn the drills back to Pan with the aim of further extending mine life. We believe that our on-going success from an operating and development standpoint, coupled with our strong balance sheet, put us in a good position to succeed with our ultimate goal of having Pan and Gold Rock operate in unison, creating a multi-asset US gold producer."

Review of Operating Results

Three Months Ended June 30,	
2019	2018
Operating Results	
Gold Mined	284,413 1,296,392
Waste Mined	198,602 1,918,101
Total Mined	483,015 3,214,493
Gold Mined	7,471 18,390
Gold Mined	0.014 0.014
Waste/ore Ratio	1.5
Gold Produced	9,685 9,964
Gold Sold (Payable)	11,504 10,584
Average Realized Price	1,302
Total Cash	826
Cost of Sales	928
Cost per Ounce	952
Share Consolidated	1,087
Cost per Ounce	

Gold production of 11,685 ounces was 17% higher than Q3 2018 as Pan benefited from increased residual leaching. This represents two consecutive quarterly records in gold production. Ore tons mined was slightly ahead of plan and in line with Q3 2018. Waste stripping has increased in 2019 compared to 2018, which is the primary driver for the increased cash costs and AISC per ounce measures. Costs were further impacted by longer ore hauls as the pit gets deeper. We expect to partially offset this by shorter hauls to the crusher stockpiles moving forward. Importantly, Pan maintained its strong safety record achieving our goal of zero reportable incidents, zero reportable accidents, and zero lost-time injuries through Q3 2019. Fiore consolidated AISC was also impacted by an accrual of approximately \$1.0 million for the Company-wide annual incentive plan.

¹ This is a non-IFRS financial measure. Please refer to "Non-IFRS Financial Measures" at the end of this news release for a description of these non-IFRS financial measures and to the Non-IFRS Financial measures in the June 30, 2019 Management Discussion and Analysis for a reconciliation to operating costs from the Company's interim financial statements.

Key Developments

Pan Mine

The primary crushing circuit at the Pan Mine was commissioned in line with our schedule at the end of June 2019, with the first ore crushed on June 25th. We are proud of our ongoing track record of managing development and capital projects at the Pan Mine in a safe and timely manner. Metallurgical testing has shown that primary crushing will increase both the overall gold recovery and the rate of gold recovery. At the present ore mining rate of 14,000 tons per day, the crushing circuit will produce an estimated 6,000-7,000 additional gold ounces per year. We are transitioning to 100% crushed ore placement during Q4 2019 and also anticipate efficiencies in the mining operations as ore hauls will deliver to a stockpile as opposed to the leach pad.

An updated resource estimate released during fiscal Q1 2019 (refer to news release dated December 3, 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. We also reported updated Proven and Probable mineral reserves of 18.5 million tons at a gold grade of 0.015 oz/st (0.51 g/t) containing 275,600 ounces of gold (refer to news release dated April 9, 2019).

The 2018 drilling program also highlighted several areas in the vicinity of the Pan North Pit where mineralization remains open with the potential to further increase the near-mine resource base with additional drilling. Numerous additional targets remain to be tested along strike from the existing Pan deposit. The Board of Directors has approved a drilling program at our Pan Mine aimed at further increasing the reserve base. We anticipate the program to begin late in fiscal Q4 2019 or early fiscal Q1 2020.

With the ongoing operational success at the Pan Mine, we are pleased to reiterate the production and cost guidance provided in our Q2 2019 disclosure.

Gold Rock

During Q4 2018, the United States Bureau of Land Management 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.

During Q3 2019, the Company announced that we commenced a \$2.0 million program of metallurgical test work and resource expansion drilling, which commenced during June 2019. As announced on August 12, 2019, initial drill results intersected thick intervals of oxide gold mineralization both within and outside of the current resource pit shells. This is particularly encouraging as one of the goals of the current drilling program is to expand the resource envelope in advance of a PEA targeted for year-end 2019.

Highlights from the first six holes include:

• 54.9 m of 0.85 g/t gold in hole GR19-001

• 27.4 m of 1.46 g/t gold in hole GR19-002

• 9.1 m of 2.51 g/t gold in hole GR19-003

• 29.0 m of 0.63 g/t gold in GR19-006

Of particular interest is hole GR19-002, which targeted an area previously evaluated only by scattered, shallow vertical holes under the former EZ Jr. leach pad. Mineralization intersected by current drilling in this area is not included in the current resource pit shells and thus represents potential for expanding the resource. Drilling has confirmed that the mineralized zone follows the western limb of the North trending EZ anticline and is commonly localized in the western limb along the contact between the Chainman Shale and Joana Limestone. Holes GR19-004 and -005 have also identified mineralization within the eastern limb of the EZ anticline, also outside the current resource pit shells.

We have prepared a detailed development plan for Gold Rock that lays out the drilling, metallurgical testing, engineering, state permitting, and other activities required to advance the project towards production. The plan aims to arrive at a construction decision by mid-2021, assuming successful completion of these activities and a positive feasibility study. Based on its experience operating the nearby Pan Mine, the Company intends to proceed directly from the PEA to a Feasibility Study in order to shorten the development timeframe.

Q3 2019 Financial Results

Financial Results of Operations	Three Months Ended June 30,	
	2019	2018
Select Items - On a Consolidated Basis	\$000's	\$000's
Revenue	15,162	13,784
Mine Operating Income	3,082	3,965
Income from Operations	974	2,061
Operating Cash Flow	2,444	4,551
Unrealized Gain/(Loss) on Derivatives, net	(823)	1,905
Net Income/(Loss)	(463)	(5,035)
Adjusted Net Earnings ¹	355	1,779
Financial Position as of:	June 30,	September 30,
Select Items - On a Consolidated Basis	2019	2018
Cash	\$000's	\$000's
Inventories	9,714	6,167
Total Current Assets	17,364	13,201
Mineral Property, Plant and Equipment, net	27,876	20,397
Total Assets	20,714	16,801
Total Current Liabilities	56,348	43,603
Long-Term Liabilities	(5,563)	(2,274)
Working Capital Surplus	(11,632)	(4,833)
	22,313	18,123

While revenue increased quarter over quarter, income from operations and adjusted net earnings¹ decreased. Profitability was impacted by increased mining costs associated with increased waste stripping as well as longer ore hauls as the pits get deeper. We expect to partially offset this by shorter hauls to the crusher stockpiles moving forward. The updated life of mine plan has a strip ratio of 1.6:1, with stripping expected to be above that level until mid-calendar 2020, then dropping below thereafter. Profitability was also impacted by an accrual of approximately \$1.0 million for the Company-wide annual incentive plan and increased depreciation and depletion expense reflecting the higher depreciable asset base.

The cash balance increased relative to September 30, 2018 by \$3.55 million. Operating cash flow for Q3 2019 was \$2.44 million compared to \$4.55 million in Q3 2018. Q3 2018 was benefited by working capital optimizations related to gold sales. As of June 30, 2019, we continue to have a strong working capital surplus of \$22.31 million, consisting of current assets of \$27.88 million and current liabilities of \$5.56 million. Refer to the Company's MD&A and Financial Statements for additional information. While revenue increased quarter over quarter, income from operations and adjusted net earnings¹ decreased. Profitability was impacted by increased mining costs associated with increased waste stripping as well as longer ore hauls as the pits get deeper. We expect to partially offset this by shorter hauls to the crusher stockpiles moving forward. The updated life of mine plan has a strip ratio of 1.6:1, with stripping expected to be above that level until mid-calendar 2020, then dropping below thereafter. Profitability was also impacted by an accrual of approximately \$1.0 million for the Company-wide annual incentive plan and increased depreciation and depletion expense reflecting the higher depreciable asset base.

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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 presentation of Pan Mine all-in sustaining costs as shown is consistent with prior quarters' measures of all-in sustaining costs. We have added Fiore Consolidated all-in sustaining costs to layer in corporate general and administrative costs, including share-based compensation and corporate sustaining capital expenditures, when applicable. A reconciliation from prior presentations of all-in sustaining costs per ounce sold has been presented in the table below to the current Pan Mine AISC and Fiore Consolidated AISC per ounce sold presentations.

	Three Months Ended June 30,	
	2019	2018
AISC		
per		
Ounce		
Sold	\$ 985	\$ 971
as		
previously		
defined		
Adjustments		
to		
Pan		
Mine		
AISC		
per		
Ounce		
Sold:		
Reclassification		
of		
Mining		
Taxes	(19)
to		
Income		
Taxes		

Pan Mine AISC per Ounce Sold	\$ 985	\$ 952
Adjustments to Fiore Consolidated AISC per Ounce Sold:		
Corporate General & Administrative Costs per Ounce Sold	128	118
Corporate Share Based Compensation per Ounce Sold	7	17
Fiore Consolidated AISC per Ounce Sold	\$ 1,120	\$ 1,087

Qualified Person

The scientific and technical information contained in this news release relating to Fiore Gold's Pan Mine was approved by J. Ross MacLean (MMSA), Fiore Gold's Chief Operating Officer and a "Qualified Person" under National Instrument 43-101. The scientific and technical information contained in this news release relating to the Gold Rock project was approved by Paul Noland (AIPG CPG-11293), Fiore Gold's VP Exploration and a "Qualified Person" under National Instrument 43-101.

On behalf of [Fiore Gold Ltd.](#)

"Tim Warman"
Chief Executive Officer

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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.

"Adjusted net earnings" and "adjusted net earnings per share" are non-GAAP financial performance measures. Adjusted net earnings excludes the following from net earnings: certain impairment charges (reversals) related to intangibles, goodwill, property, plant and equipment, and investments; gains (losses) and other one-time costs relating to acquisitions or dispositions; foreign currency translation gains (losses); significant tax adjustments not related to current period earnings; unrealized gains (losses) on non-hedge derivative instruments; and the tax effect and non-controlling interest of these items. The Company uses this measure internally to evaluate our underlying operating performance for the reporting periods presented and to assist with the planning and forecasting of future operating results. We believe that adjusted net earnings are a useful measure of our performance because these adjusting items do not reflect the underlying operating performance of our business and are not necessarily indicative of future operating results.

We have adopted "all-in sustaining costs" measures for the Pan Mine and Fiore as a consolidated group, consistent with guidance issued by the WGC on June 27, 2013. 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. These measures are 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, these measures are 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 future operations at the Pan Mine, development plan for Gold Rock, drilling plans for Pan and Gold Rock, expected drilling results, expected production, expected costs, expected mining rates, strip ratios, all cost, production and financial guidance, estimates of mineral resources and reserves, expectations that the Company will add additional resources and reserves through drilling, estimates and expectation that the crushing circuit will produce additional gold ounces and increase gold recoveries, expectations regarding efficiencies from the installation of the crushing circuit, transitioning the Pan Mine from run of mine to 100% crushed ore placement, 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, developing a preliminary economic assessment for Gold Rock, metallurgical testing for Gold Rock, expectations for a feasibility study for Gold Rock, goal to have Pan and Gold Rock operate in unison, ability to maintain balance sheet strength, liquidity outlook, future cash flow, 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; 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.

Guidance projections referenced in this document are considered "forward-looking statements" and represent management's good faith estimates or expectations of future production results as of the date hereof. Guidance is based upon certain assumptions, including, but not limited to, metal prices, oil prices, certain exchange rates and other assumptions. Additional details of these assumptions can be found

in the Company's Management's Discussion and Analysis. Such assumptions may prove to be incorrect and actual results may differ materially from those anticipated. Consequently, Guidance cannot be guaranteed. As such, investors are cautioned not to place undue reliance upon Guidance as there can be no assurance that the plans, assumptions or expectations upon which they are based will occur.

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