

# Ascendant Resources Significantly Reduces Costs and Increases Grades in the Third Quarter to Report Lowest Cash Costs at the El Mochito Mine Since the Ascendant Acquisition

13.11.2019 | [GlobeNewswire](#)

(All dollar amounts are in U.S. dollars (&ldquo;\$&rdquo;)) unless otherwise specified)

- Mine site AISC decreased to \$1.09 and Consolidated AISC reported at \$1.13
- Conference call on November 14, 2019, at 10:00am ET to review results

Q3 2019 Highlights:

- 11<sup>th</sup> consecutive quarter of metal production growth since Ascendant acquisition
- Record contained metal production of 28.8 million ZnEq<sup>1</sup> lbs, up 21% from Q3 2018
- Average head grade of 7.8% ZnEq, a 17% improvement over Q3 2018
- Cash operating costs of \$0.70 per ZnEq payable lb sold are lowest achieved to date
- Adjusted EBITDA of \$0.36 million, a net loss of \$5.21 million and a loss per share of \$0.07
- Updated Mineral Resource Estimate significantly upgrades resources at Lagoa Salgada project

TORONTO, Nov. 13, 2019 -- [Ascendant Resources Inc.](#) (TSX: ASND) (OTCQX: ASDRF; FRA: 2D9) ("Ascendant" or the "Company&rdquo;") reports third quarter 2019 results highlighted by record head grades of 7.8% zinc equivalent (&ldquo;ZnEq&rdquo;)) and contained metal production of 28.8 million ZnEq pounds and the lowest All-In Sustaining Costs (&ldquo;AISC&rdquo;)) and cash costs since assuming ownership of the El Mochito mine in Honduras.

Mr. Chris Buncic, President & CEO of Ascendant stated, &ldquo;We are very pleased with the mine&rsquo;s performance in Q3/19 demonstrating considerable production growth over the previous strong quarter. The decision we made in the first half of the year to increase investment in underground development work in order to access high-grade areas within the mine has proven very beneficial for us as we report record head-grades and contained metal production this quarter. As a result, we reported a substantial decrease in all-in sustaining costs to \$1.09 per payable pound sold at the mine site and \$1.13 on a consolidated basis. Direct operating costs were slightly higher than those in Q2/19 as the reduction in underground development work this quarter translates to less waste tonnes being capitalized.&rdquo;

<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, &ldquo;We are well advanced on several avenues of funding for both the expansion project at El Mochito, as well as for general liquidity purposes, to see us through to the completion of the expansion project.&rdquo;

&ldquo;In addition, the updated Mineral Resource Estimate successfully upgraded the resources at the Lagoa Salgada project in Portugal and provides an economic case for the North Zone, which we hope to demonstrate through a Preliminary Economic Assessment expected to be completed by the end of the year. The North Zone continues to remain open in all directions and the limited drilling undertaken in the Central and South Zones indicate highly prospective targets which will be the focus of future drilling.&rdquo;

A summary of key operational and financial performance for the third quarter 2019 is provided in the tables below:

| Key Operating Information  |                | Three months ended |                    | Nine months        |
|--|----------------|--------------------|--------------------|--------------------|
|  |                | September 30, 2019 | September 30, 2018 | September 30, 2019 |
| Total Tonnes Mined   | tonnes         | 205,004            | 193,590            | 603,110            |
| Total Tonnes Milled  | tonnes         | 199,944            | 191,738            | 588,572            |
| Average Head Grades  |                |                    |                    |                    |
| Average Zn grade   | %              | 4.4%               | 4.5%               | 4.4%               |
| Average Pb grade   | %              | 2.1%               | 1.7%               | 1.9%               |
| Average Silver grade   | g/t            | 69                 | 45                 | 66                 |
| ZnEq Head grade  | (1) %          | 7.8%               | 6.7%               | 7.1%               |
| Average Recoveries   |                |                    |                    |                    |
| Zinc   | %              | 84.3%              | 87.8%              | 85.0%              |
| Lead   | %              | 80.6%              | 78.9%              | 80.6%              |
| Silver   | %              | 82.7%              | 77.8%              | 81.2%              |
| Contained Metal Production   |                |                    |                    |                    |
| Zinc   | 000's lbs      | 16,369             | 16,579             | 47,976             |
| Lead   | 000's lbs      | 7,533              | 5,552              | 19,403             |
| Silver   | ozs            | 366,168            | 209,622            | 1,007,239          |
| ZnEq   | (1) 000's lbs  | 28,834             | 23,919             | 76,842             |
| Payable Production   |                |                    |                    |                    |
| Zinc   | 000's lbs      | 13,914             | 14,092             | 40,779             |
| Lead   | 000's lbs      | 7,156              | 5,274              | 18,433             |
| Silver   | ozs            | 256,317            | 146,735            | 705,067            |
| ZnEq   | (1) 000's lbs  | 24,509             | 20,331             | 65,316             |
| Payable Metal Sold   |                |                    |                    |                    |
| Zinc   | 000's lbs      | 16,071             | 11,451             | 39,875             |
| Lead   | 000's lbs      | 7,359              | 5,581              | 17,531             |
| Silver   | ozs            | 345,483            | 189,010            | 862,717            |
| ZnEq   | (1) 000's lbs  | 27,975             | 18,563             | 65,361             |
| Average Realized Metal Price   |                |                    |                    |                    |
| Zinc   | \$/lb          | \$1.09             | \$1.13             | \$1.18             |
| Lead   | \$/lb          | \$0.92             | \$0.92             | \$0.90             |
| Silver   | \$/oz          | \$16.57            | \$14.46            | \$15.74            |
| Cash operating cost per ZnEq payable lb sold   | (2) \$/ZnEq lb | \$0.70             | \$0.72             | \$0.74             |
| AISC per ZnEq payable lb sold - El Mochito   | (2) \$/ZnEq lb | \$1.09             | \$1.14             | \$1.19             |
| AISC per ZnEq payable lb sold - Consolidated   | (2) \$/ZnEq lb | \$1.13             | \$1.21             | \$1.27             |
| Direct operating cost per tonne milled (excl. CAPEX)   | (2) \$/tonne   | \$86.52            | \$81.66            | \$82.99            |
| (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. |                |                    |                    |                    |
| Financial  |                |                    |                    |                    |
| Total revenue  | \$000's        | 22,032             | 13,359             | 57,849             |

|   |             |          |         |          |
|---|-------------|----------|---------|----------|
| Mine operating expenses                                     | \$000's     | 22,333   | 14,984  | 56,039   |
| Income (loss) from mining operations                        | \$000's     | (301)    | (1,625) | 1,810    |
| Net income (loss)   | \$000's     | (5,214)  | (3,853) | (11,801) |
| Adjusted EBITDA   | (2) \$000's | 357      | (1,725) | 2,314    |
| Operating cash flow before movements in working capital (2) | \$000's     | (1,257)  | (1,585) | 6,126    |
| Operating cash flow   | \$000's     | 4,686    | (1,365) | 7,430    |
| Cash and cash equivalents                                   | \$000's     | 3,946    | 7,415   | 3,946    |
| Working capital surplus (deficiency)                        | \$000's     | (17,352) | 757     | (17,352) |
| Capital Expenditures  | \$000's     | 3,249    | 4,205   | 12,185   |

(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 2019 Operational Performance

During Q3/19 contained ZnEq metal production was 28.8 million pounds, a 21% increase over third quarter 2018 ("Q3/18") production of 23.9 million pounds, and a 17% increase over the prior strong second quarter 2019 ("Q2/19") of 24.6 million pounds as a result of significantly higher lead and silver grades from the higher-grade Esperanza and Port Royal chimneys as well as the production from the upper, historical part of the mine.

Milled throughput for Q3/19 was 199,944 tonnes, demonstrating a 4.3% improvement over 191,738 tonnes in Q3/18 and a 2.2% improvement over 195,706 tonnes in Q2/19.

The average head grade of 7.8% ZnEq for the quarter represents an increase of 17% over the 6.7% ZnEq achieved in both Q3/18 and Q2/19. Milled zinc grades for the quarter were 4.4% zinc, slightly down (2%) from Q3/18 and flat against the improvement in grade in Q2/19. Lead head grades of 2.1% lead showed a significant 28% improvement over Q3/18 and a 26% improvement over the previous quarter. Silver feed grades also increased significantly by 53% to 69g/t from the 45g/t achieved in Q3/18 and increased 2% from 67g/t achieved in Q2/19. The increase in silver and lead grades are a direct result of the Company focusing on extraction of various, small high-grade pillars in the upper historic part of the mine which is expected to continue for the rest of the year and into 2020.

Zinc processing recoveries of 84.3% in Q3/19 were 4% lower compared to 87.8% in Q3/18 and 2% lower than the 86.4% in Q2/19 due to the increased volumes of complicated zinc ores mined from the Esperanza orebody. Lead recoveries of 80.6% was up approximately 2% against Q3/18 and down 1% from Q2/19. Silver recoveries were 82.7%, an increase of 6% from Q3/18 and 1% from Q2/19.

### Third Quarter 2019 Financial Performance

In Q3/19, the Company generated revenues of \$22.03 million as a result of the sale of 28.0 million pounds of ZnEq metal, comprised of 16.1 million pounds of payable zinc in concentrates, 7.4 million pounds of payable lead in concentrates and 345,483 ounces of payable silver in concentrates. Average realized provisional metal prices were \$1.09 per pound zinc, \$0.92 per pound lead and \$16.57 per ounce silver. Revenues in Q3/19 were up 65% over Q3/18 as a result of substantially higher levels of payable metal sold, especially silver, as well as a 15% higher average silver price. Revenues also demonstrated a 22% increase over Q2/19 also due to greater payable metal sold and improved silver and lead prices.

Net loss and basic and diluted loss per share in Q3/19 were \$5.21 million and \$0.07 respectively, compared to a loss and basic and diluted loss per share of \$3.85 million and \$0.05 in Q3/18, and a net loss and basic and diluted loss per share in Q2/19 of \$4.18 million and \$0.05. Losses from mining operations in Q3/19 was \$0.30 million.

Adjusted EBITDA for Q3/19 was \$0.36 million, compared to Adjusted EBITDA of (\$1.73) million in Q3/18 and \$0.51 million in Q2/19.

The Company has been successful at offsetting operating cost pressures through significant grade improvements, specifically from higher-grade production from conventional mining areas and the historical upper areas of the mine, driving increased contained metal production and thus lowering unit costs. As such, cash operating cost per ZnEq payable pound sold for Q3/19 was \$0.70, the lowest since Ascendant assumed operations of El Mochito, representing a 3% decrease from Q3/18 and an 8% decrease over Q2/19. Despite energy and labour cost pressures, the Company has maintained or reduced cash operating cost per ZnEq payable pound sold throughout 2018 and 2019, due to the focus on improving metal production.

Direct operating costs per tonne milled for Q3/19 at El Mochito were \$86.52, a 6% increase versus Q3/18 direct operating costs per tonne milled of \$81.66 and Q2/19 direct operating costs per tonne milled of \$81.79. The increase over Q3/18 is primarily a result of the previously disclosed 15% increase in national power rates imposed in September 2018 as well as the 6% increase in labour costs that took place in October 2018. Also contributing to this was the increased proportion of labour-intensive conventional mining required to mine the higher-grade chimney ore, which in turn has reflected its benefits in the improved grade profile of the mine, reducing operating costs on a per payable pound basis. The increase in direct operating costs on a per tonne milled basis over the previous quarter is primarily a function of the significant decrease in sustaining capital expenditure on underground development in Q3/19 resulting in a higher portion of fixed costs being allocated to operating costs as such costs are not capitalized and instead flow through to expenses and direct operating costs.

The AISC on a mine site basis at El Mochito in Q3/19 was \$1.09 per ZnEq payable pound sold, representing a 4% decrease from Q3/18 of \$1.14 and a 17% decrease over Q2/19 of \$1.32. The AISC on a consolidated basis for Q3/19 was \$1.13 per ZnEq payable pound sold, representing a 7% decrease from \$1.21 in Q3/18 and a 21% decrease over \$1.43 in the previous quarter. The substantial decrease in mine site AISC compared to the previous quarter is a direct result of the increase in payable pounds sold given the strong operating quarter. On a consolidated basis, the reduction in AISC as compared with Q2/19 is a result of higher payable pounds sold, a decrease in capital expenditures and the absence of the one-time financing costs incurred in Q2/19.

With respect to liquidity, the Company remains in late stage negotiations regarding the funding of its expansion program for the El Mochito mine and still expects to have definitive news by the end of the year. Further, the Company continues to work with its financial partners to ensure financial liquidity between now and the end of construction for the El Mochito optimization and expansion.

#### Lagoa Salgada Project

In Q3/19, the Company completed its modest and targeted 2019 exploration program at the Lagoa Salgada project that included a diamond drill program consisting of 24 holes totaling 8,164 metres, a grounded Induced Polarization (IP) survey covering the 8km gravity anomaly identified in the 2018 program and selected borehole IP.

The drill program primarily focused on infill drilling in the North Zone to increase the confidence in the grade and tonnage, while four holes were allocated to test the strong IP chargeability anomaly in the Central and South Zones.

Drill hole highlights from results released in the quarter include (true thickness):

#### Gossan

- LS\_MS\_26- 9.1m at 0.16% Cu, 9.79% Pb, 1.13% Zn, 2.54g/t Au, 37.64g/t Ag and 0.39% Sn (16.52% ZnEq)
- LS\_MS\_30-13.4m at 0.06% Cu, 5.99% Pb, 0.33% Zn, 3.95g/t Au, 16.56g/t Ag and 0.61% Sn (13.19% ZnEq)

#### Massive Sulphide

- LS\_MS\_33- 24.9m at 0.42% Cu, 6.56% Pb, 5.76% Zn, 1.17g/t Au, 184.84g/t Ag and 0.23% Sn (21.09% ZnEq)
- LS\_MS\_36- 20.3m at 0.23% Cu, 6.14% Pb, 9.76% Zn, 1.42g/t Au, 104.65g/t Ag and 0.19% Sn (22.61% ZnEq)
- LS\_MS\_35- 37.6m at 0.25% Cu, 4.10% Pb, 6.87% Zn, 1.19g/t Au, 99.42g/t Ag and 0.17% Sn (17.21% ZnEq)

ZnEq)

• LS\_MS\_22- 60.1m at 0.46% Cu, 2.91% Pb, 3.70% Zn, 0.77g/t Au, 81.04g/t Ag and 0.11% Sn (11.62% ZnEq)

• LS\_MS\_25- 19.6m at 0.21% Cu, 5.23% Pb, 5.76% Zn, 1.29g/t Au, 137.32g/t Ag and 0.23% Sn (18.32% ZnEq)

• LS\_MS\_39- 36.2m at 0.39% Cu, 6.26% Pb, 7.30% Zn, 1.37g/t Au, 165.63g/t Ag and 0.20% Sn (21.90% ZnEq)

• LS\_MS\_38- 35.2m at 0.19% Cu, 2.28% Pb, 4.01% Zn, 0.70g/t Au, 47.98g/t Ag and 0.13% Sn (9.84% ZnEq)

Stockwork

• LS\_ST\_16- 130.6m at 0.32% Cu, 0.82% Pb, 1.50% Zn, 0.04g/t Au, 12.89g/t Ag and 0.01% Sn (1.33% CuEq)

Including 26.7m at 0.58% Cu, 1.13% Pb, 2.66% Zn, 0.03g/t Au, 24.78g/t Ag and 0.01% Sn (2.24% CuEq)

Results from the 2019 drill program contributed to the successful updated Mineral Resource Estimate for the Lagoa Salgada project, the Company announced on September 25, 2019, significantly upgrading the resources at Lagoa Salgada. The update Mineral Resource Estimate was prepared in accordance with Canadian National Instrument 43-101 (&ldquo;NI 43-101&rdquo;) with an effective date of September 5, 2019.

Results of the Mineral Resource Estimate update demonstrated material growth in the North Zone (the main massive sulphide) with the conversion of significant resources into the Measured & Indicated (&ldquo;M&I&rdquo;) category. To date the North Zone has been delineated by less than a total of 76 holes.

Highlights are as follows:

- North Zone: Measured Mineral Resources increased by 57% to 2.8 Mt at 10.7% ZnEq<sup>1</sup>.
- North Zone: Measured & Indicated Mineral Resources increased by 71% to 10.3 Mt at 9.1% ZnEq;
  - 170% increase in the precious metal rich gossan zone to 1.7 Mt at 4.6g/t AuEq<sup>2</sup>.
- Global NI 43-101 Measured and Indicated Resources of 12.8 million tonnes and Inferred Resources of 10.3 million tonnes.
- Drilling in the Central and South Zones identified Copper rich sulphide mineralization. The new resources in these zones are reported in Copper equivalent grades. Future drill programs will focus on expanding and upgrading these zones.

$$^1 \text{ ZnEq\%} = ((\text{Zn Grade} \times 25.35) + (\text{Pb Grade} \times 23.15) + (\text{Cu Grade} \times 67.24) + (\text{Au Grade} \times 40.19) + (\text{Ag Grade} \times 0.62) + (\text{Sn Grade} \times 191.75)) / 25.35$$

$$^2 \text{ AuEq(g/t)} = ((\text{Zn Grade} \times 25.35) + (\text{Pb Grade} \times 23.15) + (\text{Cu Grade} \times 67.24) + (\text{Au Grade} \times 40.19) + (\text{Ag Grade} \times 0.62) + (\text{Sn Grade} \times 191.75)) / 40.19$$

A summary of the Mineral Resource Estimate is set out in the table below:

Lagoa Salgada Mineral Resource Estimate - Effective September 5, 2019

North Zone Mineral Resource Estimate

| Deposit Category | Min Zones    | Cut-off ZnEq% (kt) | Tonnes (kt) | Average Grade (%) |      |      |      |      |    |      | Contained Metal (kt) |      |      |       |       |      |      |
|------------------|--------------|--------------------|-------------|-------------------|------|------|------|------|----|------|----------------------|------|------|-------|-------|------|------|
|                  |              |                    |             | Cu                | Zn   | Pb   | Sn   | Ag   | Au | ZnEq | AuEq                 | Cu   | Zn   | Pb    | Sn    | Ag   |      |
| North            | Measured(M)  | GO                 | 2.5         | 234               | 0.13 | 0.70 | 4.32 | 0.36 | 51 | 1.50 | 11.38                | 7.18 | 0.3  | 1.6   | 10.1  | 0.9  | 385  |
|                  | Indicated(I) | GO                 | 2.5         | 1,462             | 0.08 | 0.43 | 2.55 | 0.26 | 37 | 0.51 | 6.63                 | 4.18 | 1.2  | 6.2   | 37.3  | 3.8  | 1,74 |
|                  | M & I        | GO                 | 2.5         | 1,696             | 0.09 | 0.47 | 2.79 | 0.27 | 39 | 0.64 | 7.28                 | 4.60 | 1.5  | 7.9   | 47.4  | 4.6  | 2,12 |
|                  | Inferred     | GO                 | 2.5         | 831               | 0.08 | 0.48 | 2.62 | 0.17 | 27 | 0.37 | 5.66                 | 3.57 | 0.7  | 4.0   | 21.8  | 1.4  | 727  |
|                  | Measured(M)  | MS                 | 3.0         | 2,444             | 0.40 | 3.12 | 2.97 | 0.15 | 72 | 0.74 | 10.95                | 6.91 | 9.7  | 76.3  | 72.5  | 3.7  | 5,62 |
|                  | Indicated(I) | MS                 | 3.0         | 5,457             | 0.45 | 2.35 | 2.30 | 0.13 | 75 | 0.67 | 9.55                 | 6.03 | 24.5 | 128.1 | 125.6 | 7.3  | 13,2 |
|                  | M & I        | MS                 | 3.0         | 7,902             | 0.43 | 2.59 | 2.51 | 0.14 | 74 | 0.69 | 9.98                 | 6.30 | 34.2 | 204.4 | 198.1 | 10.9 | 18,8 |

|       |              |           |     |        |      |      |      |      |    |      |      |      |      |       |       |      |      |
|-------|--------------|-----------|-----|--------|------|------|------|------|----|------|------|------|------|-------|-------|------|------|
|       | Inferred     | MS        | 3.0 | 1,529  | 0.23 | 1.96 | 1.32 | 0.09 | 45 | 0.49 | 6.36 | 4.01 | 3.6  | 30.0  | 20.2  | 1.4  | 2,21 |
|       | Measured(M)  | Str       | 2.5 | 94     | 0.37 | 0.88 | 0.28 | 0.05 | 17 | 0.12 | 3.08 | 1.94 | 0.3  | 0.8   | 0.3   | 0.0  | 51.0 |
|       | Indicated(I) | Str       | 2.5 | 643    | 0.34 | 0.90 | 0.23 | 0.09 | 17 | 0.06 | 3.23 | 2.04 | 2.2  | 5.8   | 1.5   | 0.6  | 354  |
|       | M & I        | Str       | 2.5 | 737    | 0.34 | 0.90 | 0.24 | 0.09 | 17 | 0.07 | 3.21 | 2.03 | 2.5  | 6.6   | 1.7   | 0.6  | 405  |
|       | Inferred     | Str       | 2.5 | 142    | 0.24 | 1.12 | 0.39 | 0.04 | 17 | 0.09 | 2.95 | 1.86 | 0.3  | 1.6   | 0.6   | 0.1  | 75.6 |
| North | M & I        | All zones | 2.9 | 10,334 | 0.37 | 2.12 | 2.39 | 0.16 | 64 | 0.64 | 9.06 | 5.72 | 38.2 | 219.0 | 247.2 | 16.2 | 21,3 |
| North | Inferred     | All zones | 2.8 | 2,502  | 0.18 | 1.42 | 1.70 | 0.12 | 38 | 0.43 | 5.93 | 3.74 | 4.6  | 35.6  | 42.6  | 2.9  | 3,02 |

#### Central and South Zones Mineral Resource Estimate

| Deposit Category  | Min Zones | Cut-off CuEq% | Tonnes (kt) | Average Grade |         |         |         |          |          |          | CuEq (%) | Con Cu (kt) |
|-------------------|-----------|---------------|-------------|---------------|---------|---------|---------|----------|----------|----------|----------|-------------|
|                   |           |               |             | Cu (%)        | Zn (%)  | Pb (%)  | Sn (%)  | Ag (g/t) | Au (g/t) | CuEq (%) |          |             |
| Central Inferred  | Str       | 0.9           | 1,707       | 0.15          | 0.16    | 0.06    | 0       | 12       | 2.22     | 1.66     | 2.5      |             |
| South Measured(M) | Str/Fr    | 0.9           | 0           | &mdash;       | &mdash; | &mdash; | &mdash; | &mdash;  | &mdash;  | &mdash;  | &mdash;  |             |
| Indicated(I)      | Str/Fr    | 0.9           | 2,473       | 0.47          | 1.53    | 0.83    | 0.00    | 19       | 0.06     | 1.54     | 11.5     |             |
| South M & I       | Str/Fr    | 0.9           | 2,473       | 0.47          | 1.53    | 0.83    | 0.00    | 19       | 0.06     | 1.54     | 11.5     |             |
| South Inferred    | Str/Fr    | 0.9           | 6,085       | 0.40          | 1.34    | 0.80    | 0.00    | 17       | 0.05     | 1.37     | 24.6     |             |

#### Notes to tables:

(1) Mineralized Zones: GO=Gossan, MS=Massive Sulphide, Str=Stringer, Str/Fr=Stockwork

(2)  $ZnEq\% = ((Zn\ Grade * 25.35) + (Pb\ Grade * 23.15) + (Cu\ Grade * 67.24) + (Au\ Grade * 40.19) + (Ag\ Grade * 0.62) + (Sn\ Grade * 191.75)) / 25.35$

(3)  $CuEq\% = ((Zn\ Grade * 25.35) + (Pb\ Grade * 23.15) + (Cu\ Grade * 67.24) + (Au\ Grade * 40.19) + (Ag\ Grade * 0.62)) / 67.24$

(4)  $AuEq(g/t) = ((Zn\ Grade * 25.35) + (Pb\ Grade * 23.15) + (Cu\ Grade * 67.24) + (Au\ Grade * 40.19) + (Ag\ Grade * 0.62) + (Sn\ Grade * 191.75)) / 40.19$

(5) Metal Prices: Cu \$6,724/t, Zn \$2,535/t, Pb \$2,315/t, Au \$1,250/oz, Ag \$19.40/oz, Sn \$19,175/t

(6) Densities: GO=3.12, MS=4.76, Str=2.88, Str/Fr=2.88

The updated Mineral Resource Estimate will form the basis for the Preliminary Economic Assessment (&ldquo;PEA&rdquo;) that is expected to be completed by year end.

#### Outlook

#### Operations & Financial

Metal production in Q3/19 demonstrated significant growth over the previous two strong quarters as a result of the increased investment in development made during the first half of the year enabling access to higher-grade areas of the mine resulting in greater anticipated contained metal production driven by grade improvements.

The Company was successful in achieving its goal of improved grades with an average head-grade of 7.8% ZnEq in Q3/19, as it was anticipated average head-grades of approximately 8% ZnEq in the second half of the year, weighted towards the fourth quarter. The benefits of the development work in the first half of the year are expected to continue into the fourth quarter driving the strongest operation year yet for Ascendant since it acquired the El Mochito mine.

Improved grades were the key contributor to significantly reducing the Company's AISC in Q3/19. The Company had anticipated an average AISC on a mine site basis at El Mochito for H2/19 of \$1.10 per ZnEq payable pound sold and \$1.15 per ZnEq payable pound sold on a consolidated basis, and was pleased to report the achievement of \$1.09 per ZnEq payable pound sold on a mine site basis and \$1.13 on a consolidated basis in Q3/19, with similar expectations for Q4/19.

The reduction in underground development that took place in Q3/19 and is expected to continue into Q4/19, will result in lower than anticipated overall capital expenditure in 2019. The subsequent reduction in overall tonnes from waste development translates into higher direct operating costs on a unit basis as less waste development tonnes are capitalized, and more fixed costs are allocated to production tonnes. As such, with the expectation this trend will continue for the remainder of the year, the Company expects direct operating

costs to be around the upper end of 2019 guidance. Capital expenditures meanwhile will trend towards the lower end of guidance as underground development rates remain reduced in light of the current metal price environment.

Overall, the Company maintains its 2019 production guidance as announced on February 20, 2019, provided in the table below:

#### Contained Metals in Concentrate

|                        |                               |
|------------------------|-------------------------------|
| Zinc equivalent metal  | 90 &ndash; 110 million lbs    |
| Zinc                   | 65 &ndash; 75 million lbs     |
| Lead                   | 21 &ndash; 26 million lbs     |
| Silver                 | 850,000 &ndash; 1,200,000 ozs |
| Direct Operating Costs | \$70 &ndash; \$80 / tonne     |
| Capital Expenditure    | \$15 &ndash; \$20 million     |

#### Mine Expansion and Optimization

The Company remains actively engaged in advancing the various project financing opportunities for the expansion of El Mochito. The Preliminary Economic Assessment for the expansion of the mine demonstrates the Company's dedication and focus on delivering long-term profitability and the ability to operate the mine at an average AISC of \$0.97 per ZnEq pound.

As stated above, it is the Company's current expectation to receive confirmation of financing by the end of the year and to subsequently commence construction.

#### Lagoa Salgada Project

Subsequent to the quarter's end, the Company filed the Technical Report for the updated Mineral Resource Estimate for the Lagoa Salgada project which is available on the Company's website and SEDAR.

The Mineral Resource Estimate update incorporates all historic drilling in addition to the high-grade drill results from the Ascendant lead 2018 and 2019 exploration programs. Metallurgical testing is currently underway, and the Company expects to complete a PEA by the end of 2019.

#### Conference Call Details

A conference call will be held tomorrow, November 14, 2019, at 10:00am ET to discuss third quarter 2019 operational and financial results.

#### Dial-in Details:

Date of Call: Thursday, November 14, 2019  
Time of Call: 10:00am ET  
Conference ID: 5361206  
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 from November 14, 2019 until December 14, 2019 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 and six months ended September 30, 2019 and 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

The scientific and technical information contained in this press release has been reviewed and approved by Robert A. Campbell, M.Sc., P.Geo., Director and Vice President, Exploration for Ascendant Resources Ltd., whom is a "qualified person" within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

#### About Ascendant Resources Inc.

Ascendant is a Toronto-based mining company focused on its 100%-owned producing El Mochito zinc, lead and silver mine in west-central Honduras and its high-grade polymetallic Lagoa Salgada VMS Project located in the prolific Iberian Pyrite Belt in Portugal.

After acquiring the El Mochito mine in December 2016, Ascendant spent 2017 and 2018 implementing a rigorous and successful optimization program restoring the historic potential of El Mochito, a mine in production since 1948, to deliver record levels of production with profitability restored. The Company now remains focused on cost reduction and further operational improvements to drive profitability in 2019 and beyond. With a significant land package of approximately 11,000 hectares in Honduras and an abundance of historical data, there are several near-mine and regional targets providing longer term exploration upside which could lead to further Mineral Resource growth.

Ascendant 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 the already substantial 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 its 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.*

For further information please contact:

Katherine Pryde  
Director, Communications & Investor Relations  
Tel: 888-723-7413  
[info@ascendantresources.com](mailto:info@ascendantresources.com)

#### *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 high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of any inferred mineral resource will ever be upgraded to a higher category. 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 category. Likewise, you are cautioned not to assume that all or any part of a measured or indicated mineral resource will ever be upgraded into 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 2019, guidance, 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, the ability to successfully close its financing initiatives, exploration and capital expenditures at El Mochito and Lagoa Salgada, the expectation of expanding and updating the Mineral Resource Estimate at Lagoa Salgada, the Company's ability to complete a Preliminary Economic Assessment for Lagoa Salgada, robust adjusted EBITDA and free cash flow generation and the undertaking of various long-term optimization programs including but not limited to the expansion program at El Mochito. 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 2019, to achieve guidance, increase contained metal production, maintain production rates, increase mill feed grades, reduce costs, make monthly shipments of concentrate, fully fund planned development, successfully closing on its financing initiatives, exploration and capital expenditures, maintain robust adjusted EBITDA and free cash flow and undertake various long-term optimization programs including but not limited to the expansion program at El Mochito, the Company's ability to expand and update the Mineral Resource Estimate at Lagoa Salgada, complete a Preliminary Economic Assessment for Lagoa Salgada, 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 achieve guidance, 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 resources, and the potential for variations in grade and recovery rates, uncertain costs of reclamation activities, tax refunds, hedging transactions, 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, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| Net income (loss)                               | \$000's (5,214)    | (3,853)            | (11,801)           | 6,023              |
| <i>Adjusted for:</i>                            |                    |                    |                    |                    |
| Advances to joint venture                       | \$000's 1,448      | -                  | 2,026              | -                  |
| Depletion and depreciation                      | \$000's 1,955      | 1,276              | 5,293              | 3,259              |
| Finance expenses                                | \$000's 656        | 401                | 1,857              | 773                |
| Accretion expense on rehabilitation liabilities | \$000's 69         | 233                | 204                | 643                |
| Charge on termination obligations               | \$000's 1,180      | 411                | 3,493              | 1,246              |

|                                     |             |         |       |        |
|-------------------------------------|-------------|---------|-------|--------|
| Share-based payments                | \$000's 29  | 165     | 294   | 869    |
| Foreign currency exchange gain/loss | \$000's 41  | 126     | 44    | 64     |
| Income taxes                        | \$000's 193 | (484)   | 904   | 716    |
| Adjusted EBITDA                     | \$000's 357 | (1,725) | 2,314 | 13,593 |

*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 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.*

*The following table provides a reconciliation of direct operating costs to cost of sales:*

| Direct operating cost per tonne milled                       |          | Three months ended |                    | Nine months        |
|--|----------|--------------------|--------------------|--------------------|
|  |          | September 30, 2019 | September 30, 2018 | September 30, 2019 |
| Mine operating expenses (from consolidated income statement) | \$000's  | 22,333             | 14,984             | 56,039             |
| Add: Termination Liability Payments                          | \$000's  | 205                | 198                | 222                |
| Deduct (Add): Variation in Finished Inventory                | \$000's  | (2,204)            | 2,290              | 776                |
| Deduct: Depreciation in production                           | \$000's  | (1,928)            | (1,276)            | (5,211)            |
| Total cash costs (including royalties)                       | \$000's  | 18,406             | 16,196             | 51,826             |
| Deduct: Government taxes and royalties                       | \$000's  | (1,106)            | (538)              | (2,982)            |
| Direct operating costs                                       | \$000's  | 17,300             | 15,658             | 48,844             |
| Tonnes Milled  | tonnes   | 199,944            | 191,738            | 588,572            |
| Direct operating cost per tonne milled                       | \$/tonne | \$86.52            | \$81.66            | \$82.99            |

| AISC per ZnEq payable pound sold                     |            | Three months ended |                    | Nine months ended  |                    |
|--|------------|--------------------|--------------------|--------------------|--------------------|
|  |            | September 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| ZnEq payable pounds sold                             | 000's lbs  | 27,975             | 18,563             | 65,361             | 60,361             |
| Cash Operating Costs Reconciliation                  |            |                    |                    |                    |                    |
| Direct operating costs                               | \$000's    | 17,300             | 15,658             | 48,844             | 43,922             |
| Add (deduct): Variation in Finished Inventory        | \$000's    | 2,204              | (2,290)            | (776)              | 2,512              |
| Cash operating costs                                 | \$000's    | 19,504             | 13,368             | 48,068             | 46,434             |
| Cash operating cost per ZnEq payable pound sold      | \$/ZnEq lb | \$0.70             | \$0.72             | \$0.74             | \$0.77             |
| All-in Sustaining Costs (AISC) Reconciliation        |            |                    |                    |                    |                    |
| Total cash operating costs                           | \$000's    | 19,504             | 13,368             | 48,068             | 46,434             |
| Add: Government taxes and royalties                  | \$000's    | 1,106              | 538                | 2,982              | 3,135              |
| Add: TC & RCs  | \$000's    | 6,393              | 3,427              | 14,775             | 10,475             |
| Add: G&A, excluding depreciation and amortization    | \$000's    | 1,264              | 1,262              | 4,736              | 4,640              |
| Add: Accretion expense on rehabilitation liabilities | \$000's    | 69                 | 233                | 204                | 643                |

|  |            |         |         |         |       |
|--|------------|---------|---------|---------|-------|
| Add: Sustaining capital expenditure                  | \$000's    | 3,342   | 3,688   | 11,953  | 14,1  |
| Total All-in sustaining costs - Consolidated         | \$000's    | 31,678  | 22,516  | 82,718  | 79,4  |
| Deduct: G&A, excluding depreciation and amortization | \$000's    | (1,264) | (1,262) | (4,736) | (4,64 |
| Total All-in sustaining costs - El Mochito           | \$000's    | 30,414  | 21,254  | 77,982  | 74,8  |
| AISC per ZnEq payable pound sold - Consolidated      | \$/ZnEq lb | \$1.13  | \$1.21  | \$1.27  | \$1.3 |
| AISC per ZnEq payable pound sold - El Mochito        | \$/ZnEq lb | \$1.09  | \$1.14  | \$1.19  | \$1.2 |

#### 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.

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/338874--Ascendant-Resources-Significantly-Reduces-Costs-and-Increases-Grades-in-the-Third-Quarter-to-Report-Lowest-C>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!  
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).