

Harte Gold Yields Positive Fourth Quarter, 32% Increase in Gold Production

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TORONTO, Jan. 09, 2020 - [Harte Gold Corp.](#) ("Harte Gold" or the "Company") (TSX: HRT / OTC: HRTFF / Frankfurt: H4O) is pleased to announce its preliminary production results for the fourth quarter ("Q4") and full year for 2019 and its guidance for 2020.

Highlights

- Total gold production for 2019 was 27,316 ounces, exceeding the revised guidance range of 24,000 to 26,000 ounces
- Q4 gold production was 8,017 ounces, the highest quarterly result to-date and a 32% increase over Q3
- December was a positive month across several key metrics:
 - Grade appears to be trending higher in December relative to previous months
 - Stope to sill tonnage ratio has improved dramatically
 - Waste development rates improved more than 20% over the previous month
 - Backfill tonnes placed at more than 200% of target
- Full year 2020 guidance of:
 - 42,000 – 48,000 ounces of production, an increase of 54% to 76% over 2019 production
 - US\$900 – US\$1,100 per ounce cash operating cost¹
 - US\$1,475 – US\$1,650 per ounce All-In Sustaining Cost ("AISC")¹
- Executive management team expanded and formed Executive Management Committee ("Exco") to drive strategy and operational focus moving forward
 - Karen Walsh appointed VP People and Organizational Development
 - Management team restructured to focus on key operations areas
- Exploration of the TT8 Zone expected to commence mid-January

Notes:

1. See non-GAAP Financial Measures, calculated using CAD/USD rate 0.7500

Sam Coetzer, President and CEO of Harte Gold commented:

"I am very encouraged by the progress we have made during the fourth quarter. The quarter has been transformational on various fronts from changes implemented throughout the organization, including governance, management and operational. At the mine site, the team has embraced the new approach.

Leading indicators like waste development, backfill rates and stope drilling continue to improve. I was especially pleased with December production performance. I would like to thank all the Harte Gold teams, contractors and others at site whose hard work and positive attitude have influenced change under challenging conditions.

Finally, we are targeting further production growth in 2020. We believe Harte Gold is now poised for long term growth and is on the path to becoming a profitable producer.”

Operations Update

Q4 and Full Year 2019 Results

Harte Gold produced 27,316 ounces of gold in 2019 which exceeded the upper end of the guidance range. The fourth quarter represented the Company’s strongest quarterly results of the year, with a total of 8,017 ounces produced.

2019 Gold Production

Period	Ounces
Q1	5,476
Q2	7,754
Q3	6,069
Q4	8,017
FY 2019	27,316

December 2019: Mine Performance Improvements

December represented a significant improvement over previous months, including notably the following:

- Higher grade production due to more ore from stopes
- Waste development rates improved more than 20% from November to December - improving waste development increases access to new mining areas and improves scheduling flexibility
- Backfill tonnes placed exceeded plan by over 200% - increasing backfill tonnage was achieved without requiring the paste plant and validates rockfill as a viable interim alternative
- Contractor manpower performance also improved for the month of December as initiatives to attract work force to the mine take effect

2020 Guidance

Harte Gold’s production guidance for 2020 represents an increase of 54% to 76% compared to full year production in 2019. The increase is expected to be achieved due to the following factors:

- Increased mine tonnage as continued underground development opens new areas of the mine
- Higher grades processed as stope production becomes a larger contributor of overall mine production

After 2020, production growth is expected to continue as higher-grade areas of the mine become accessible. While mined tonnages are consistent in 2021 and 2022, the average grade of areas mined in those years is expected to improve. This is outlined in the illustration “Longitudinal Section: Grade Profile Segmented by Year.”

The following table sets out Harte Gold’s full year guidance for 2020.

Gold Production and Operating Cost Guidance

Year	Gold Production (Ounces)	Cash Operating Cost (US\$/oz) ¹	AISC (US\$/oz) ¹
2020	42,000 to 48,000	900 to 1,100	1,475 to 1,650

Notes:

1. See non-GAAP Financial Measures, calculated using CAD/USD rate 0.7500

Capital costs are a combination of continued underground mine development and surface / mill infrastructure expenditures.

2020 Capital Expenditures Guidance

	2020 Capital Expenditures	2019 Capital Expenditures
Mine Development	\$18.5	\$18.5
Other	\$11.2	\$11.2

● Sugar and Middle Zone ramp development
● 3,300 m development for the year

● Workshop / warehouse / dry
● Mine camp upgrades
● Mill critical spares and parts

Liquidity and Capital Management

The Company is currently managing its near-term working capital requirements with funds from drawdown of the Standby Commitment. The Company is also assessing various financing alternatives to support mine development and other capital requirements as necessary for 2020.

Executive Management Enhancements

The Company is pleased to announce the appointment of Karen Walsh as VP, People and Organizational Development.

Ms. Walsh is a seasoned executive with over 20 years' experience in recruiting, succession planning, cultural change initiatives, HR process optimization, global leadership development and performance management. Previously Ms. Walsh was with Golden Star Resources as Vice President in a similar capacity. Prior to Golden Star, Ms. Walsh spent six years consulting in the mining industry following her role as Senior Vice president, Human Resources for [Placer Dome Inc.](#)

The Company has also moved its corporate office to 161 Bay Street, Suite 2400. Other contact details, including phone numbers and email addresses, remain the same.

Exploration

Two drill rigs are being mobilized to the TT8 Zone and drilling is expected to commence by mid-January 2020, upon receipt of permits.

Technical Information

Scientific and technical information contained in this news release was reviewed and approved by Dr. Martin Raffield, Chief Operating Officer of Harte Gold, who is a "qualified person" as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

About Harte Gold Corp.

Harte Gold entered commercial production in 2019 at its wholly owned Sugar Zone Mine in White River,

Canada. The Company is well positioned for growth at the Sugar Zone Mine. Production guidance for 2020 is 42,000 to 48,000 gold ounces, an increase of 54% to 76% over 2019. The Company has further upside potential through exploration at the Sugar Zone Property, which encompasses 79,335 hectares covering a significant greenstone belt. Harte Gold trades on the Toronto Stock Exchange under the symbol "HRT", on the OTC under the symbol "HRTFF", and on the Frankfurt Exchange under the symbol "H4O".

For further information, please visit www.hartegold.com or contact:

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Non-IFRS Financial Measures:

In this press release we use the terms "cash operating cost" and "All-In Sustaining Cost" or "AISC". These should be considered non-IFRS financial measures as defined in applicable Canadian securities laws and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Cash operating cost is a common financial performance measure in the gold mining industry that does not have a standard meaning under IFRS. The Company reports cash operating costs on a per ounce of gold produced basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as costs of sales, certain investors use this information to evaluate the Company's performance and ability to generate operating income and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating costs. Cash operating costs are calculated in accordance with the standard developed by the Gold Institute, a forerunner of the World Gold Council ("WGC"). Adoption of the standard is voluntary and other companies may quantify this measure differently as a result of different underlying principles and policies applied.

AISC is a common financial performance measure in the gold mining industry that does not have a standard meaning under IFRS. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as cost of sales and cash flows from operating activities, certain investors use this information to evaluate the Company's operating performance and its ability to generate free cash flow from current operations. Management uses this metric as an important tool to monitor all-in costs. Harte Gold reports AISC in accordance with the updated guidance issued by the WGC.

The WGC definition of AISC seeks to extend the definition of total Cash Costs by adding corporate general and administrative costs, reclamation and remediation costs (including accretion and amortization), exploration and study costs and sustaining capital expenditures and represents the total costs of producing gold from current operations. AISC excludes income tax payments, interest costs, costs related to business acquisitions and items needed to normalize earnings. Consequently, these measures are not representative of all of the Company's cash expenditures. In addition, the calculation of AISC does not include depreciation expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability. Other companies may quantify these measures differently as a result of different underlying principles and policies applied. Differences may also occur due to different definitions of sustaining versus non-sustaining capital.

For additional information regarding non-IFRS financial measures used by the Company, please refer to the heading "Non-IFRS Measures" in the Company's Management Discussion and Analysis for the nine months ended September 30, 2019 and 2018, available at www.sedar.com.

Cautionary note regarding forward-looking information:

This news release includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from

those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Specific forward-looking statements in this press release include, but are not limited to, forecasting gold production and operating cost guidance for 2020 and 2020 capital expenditures guidance. Forward-looking statements are necessarily based upon a number of estimates and assumptions including material estimates and assumptions related to the factors set forth below that, while considered reasonable by the Company as at the date of this press release in light of management's experience and perception of current conditions and expected developments, are inherently subject to significant business, economic, and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements, and undue reliance should not be placed on such statements and information.

Such risks and uncertainties include, but are not limited to, there being no events of default or breaches of key financing agreements, including agreements with BNP Paribas and Appian; the Company being able to attract and retain qualified candidates to join the Company's management team and board of directors, risks associated with the mining industry, including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte Gold to fund the capital and operating expenses necessary to achieve the business objectives of Harte Gold, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as other risks and uncertainties which are more fully described in the Company's Annual Information Form dated April 1, 2019, and in other filings of the Company with securities and regulatory authorities which are available on SEDAR at www.sedar.com.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/c95fa160-f80d-4f03-a807-282aa2741af8>

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