

RNC Minerals Provides 2020 Production, Cost Guidance and Strong Operational Update

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Summary

- Consolidated 2020 Guidance:
 - Production of 90,000-95,000 oz; note that production guidance does not include contributions from coarse gold occurrences at Beta Hunt. Based on management's current interpretation of the Beta Hunt shear zone / Lunnon Sediment intersection horizons, coarse gold is expected to be produced during 2020.
 - All-in-sustaining-cost (AISC)¹ of US\$1,050-\$1,200 per oz.
- 2020 Exploration:
 - The re-negotiation of the Morgan Stanley Royalty at HGO has unlocked multiple high priority areas of the 1,000 acre package previously not explored.
 - New targets at HGO now include the Pioneer deposit, Two Boys extension, Paleochannel extensions, Baloo and Zuleika parallel mineralised structures.
 - A 2020 exploration budget of A\$9.5-A\$10 million (totaling 45,000-50,000 metres) is allocated across HGO and Beta Hunt.
- Operational Update:

Baloo Open Pit Operations

- Baloo Stage 1 mining is now expected to extend to June 2020.
- Baloo Stage 2 approvals are on track and expected to be received during Q1 2020, with Stage 2 mining expected to start through to December 2020.
- Infill drilling results at Baloo continue to confirm or improve upon modelled mineralization (drill intervals are estimated true thickness):
 - BLOR0009 returned 2.5g/t over 18.5m.

Fairplay North Open Pit Operations

- Fairplay North is the next open pit in the HGO production pipeline, located less than 1km from the HGO treatment plant.
- First mineralization has been mined and delivered to HGO Run-of-Mine ("ROM") stockpile for processing.
- Fairplay North Stage 1 mining is planned through to July 2020, followed by Stage 2 through to January 2021.
- High-grade results from recent drilling include (drill intervals are estimated true thickness):
 - FPNGC_1305-078 - 16.5 g/t over 16m from 24m (including 59.8g/t over 4m)
 - FPNGC_1305-083 - 5.8 g/t over 13m from 25m.

Beta Hunt

- An update on Beta Hunt will be provided in the coming weeks

TORONTO, Jan. 23, 2020 - RNC Minerals (TSX: RNX) ("RNC" or the "Company") is pleased to announce that for the full year 2020, management is targeting consolidated production of between 90,000 to 95,000 ounces of gold at an average all-in-sustaining-cost (AISC)¹ of US\$1,050 to US\$1,200 per ounce. It is important to note that the production and cost guidance does not include contributions from any potential high-grade coarse gold occurrences encountered from time to time at Beta Hunt Mine. Based on management's current interpretation of the Beta Hunt shear zone / Lunnon Sediment intersection horizons, further coarse gold is expected to be produced from mining operations over the course of 2020, representing potential 2020 production and cost guidance estimates.

The 2020 guidance does take into account the relatively minor disruptions caused by wild fires earlier this month as previously discussed in RNC's news release dated January 8, 2020.

Consolidated HGO and Beta Hunt exploration expenditures for the full year 2020 are targeted to be from A\$9.5 to \$10 million. Exploration expenditures are expected to prioritize areas at Higginsville (HGO properties) given the recent renegotiation of the Morgan Stanley Royalty (see RNC news release dated December 19, 2019) which has now unlocked significant high-value portions of the property that were previously not explored.

1. Non-IFRS Measure: the definition of these measures are included in the Non-IFRS Measures section of RNC's Management Information Statement dated November 5, 2019.

Paul Andre Huet, Chairman & CEO, commented: "Our 2020 guidance reflects a continuation of the consistent production we achieved in the second half of 2019. However it is very important to note that our guidance does not include contribution from high-grade coarse gold production from the Beta Hunt Mine. With this in mind, we believe there is upside to our production and cost guidance that we will be able demonstrate as the year progresses.

Since acquiring the Higginsville mill in June 2019, we have focused squarely on improving our cost profile company-wide. This initiative will continue as a priority in 2020. With targeted quarter over quarter cost reductions, we expect AISC costs to trend towards our target of US\$1,000 per ounce by the end of the 2020.

With a large portion of our 1,800km² Higginsville property now unlocked for aggressive exploration for the first time in over a decade due to the royalty renegotiation in December, we have prioritized a list of strong targets for 2020. Recent results from our exploration and grade control drilling across the property have been very encouraging, and we look forward to advancing our targets during the year.

Mining at Higginsville is also exceeding our expectations. With Baloo continuing to grow, the Stage 1 pit life has now been extended to mid-year 2020, followed by Stage 2 mining which is expected to continue for the balance of 2020. Our pipeline of pits is delivering, with results from Fairplay North, our second open pit, having shown some very good high-grade results.

2019 was a transformational year for RNC and our shareholders. We look forward to an even stronger 2020."

As a final reminder, and as initially stated in RNC's third quarter 2019 results news release dated November 6, 2019, RNC will be reporting production and cost results on a quarterly basis moving forward, in line with standard industry practice.

Operational and Exploration Update

As previously disclosed in RNC's news release dated January 8, 2020, despite several bushfires burning in the HGO area throughout late 2019 and early 2020, HGO was subject to only minor disruptions to mining, utilising mill stockpiles to meet production targets.

Figure 1 shows several areas RNC is either actively advancing or evaluating as high-priority targets. In addition to Baloo, RNC has been developing and mining since the HGO acquisition last June, a number of tenements covered under the re-negotiated Morgan Stanley royalty are now considered high priority. These areas include Fairplay North, Pioneer, the Pioneer extension and Paleochannel extensions.

Baloo

At Baloo Stage 1, mining is now forecast to continue to mid-2020 (previously expected to cease in Q1 2020). Baloo Stage 2 approvals are expected during Q1 2020 with mining scheduled to begin in at the completion of Stage 1 and continue until the end of the year.

Baloo Drilling Summary

Since acquisition of the HGO mines, RNC has completed a 20 resource definition holes totalling 492m and 19 exploration holes totalling 1,897m at Baloo. Drilling focussed on the following target areas with the aim of increasing and upgrading the HGO resource:

- North Baloo
- Eastern Footwall mineralisation
- Down-dip Infill of the Baloo mineralisation

Drilling results have either confirmed or expanded upon modelled mineralisation. Some of the highlights include (down-dip intervals)¹:

Eastern Footwall drilling¹

- BLOR0033 – 4.8g/t over 3.0m, from 7m
- BLOR0034 – 2.6g/t over 4.0m, from 6m

Down-Dip Infill¹

- BLOR0009- 2.5g/t over 18.5m, from 14m
- BLOR0006 – 3.7g/t over 7.3m, from 35m
- BLOR0010 – 2.4g/t over 10.6m, from 43m

Baloo North²

- BLOR0003- 8.7 g/t over 3.0m from 63m³.
- BLOR0025-4.28g/t over 2.0m, from 50m

1. Estimated true thickness.
2. True thickness cannot be estimated with available information.
3. Previously reported in RNC news release dated October 15, 2019.

Fairplay North

Following the restructuring of the HGO royalties under the Morgan Stanley agreement (see RNC news release dated D 2019), additional work has been undertaken to prioritize development of certain HGO tenements. The first of these is F North, located only 1 km from the HGO mill.

The pit will be mined in two stages to optimise mining operations and will be mined concurrently with Baloo to ensure o blend to the HGO mill. Expected completion of Stage 2 is by the end of Q3 2020, however recent drilling has raised the this to be extended.

Note: North-South length of pit is 200m

Fairplay North Drill Summary

To date, RNC has completed 26 resource definition RC holes totalling 1,721 m at Fairplay North. Drilling focussed on u existing historical resource within and on the margins of an optimised pit shell.

Assay results confirmed the mineralisation interpretation and has extended the near surface supergene mineralisation.

Drilling highlights are summarised below¹:

- FPNGC_1305-078: 16.5g/t over 16m from 24m, including 59.8g/t over 4m
- FPNGC_1305-083: 5.8g/t over 13m from 25m
- FPNGC_1305-102: 3.2g/t over 14m from 53m
- FPNGC_1305-097: 2.3g/t over 9m from 68m
- FPNGC_1305-087: 3.1g/t over 8m from 52m

1. Drillhole intervals are estimated true widths.

Table 1: Baloo and Fairplay North - Significant drill results (>1g/t Au) since July 2019. Please refer to the following link t summary table of significant resource definition drill results from Baloo and Fairplay North drilled by RNC in 2019: Table

Table 2: Baloo and Fairplay North - Location and status of holes drilled in the completed drill campaign beginning July 2019. Please refer to the following link for the full summary table of the hole location and status of holes drilled by RNC at Baloo and Fairplay North in 2019: [Table 2](#)

Compliance Statement (JORC 2012 and NI 43-101)

The disclosure of scientific and technical information contained in this news release has been reviewed and approved by Devlin, FAusIMM, Vice-President, VP Exploration & Growth, Salt Lake Mining Pty Ltd, a 100% owned subsidiary of RNC, a Qualified Person for the purposes of NI 43-101.

At the Higginsville Gold Operation reverse circulation drilling chip sampling was conducted by RNC personnel. Samples were transported to Bureau Veritas Minerals Pty Ltd of Kalgoorlie and Perth for preparation and assaying by 40 gram (approximate) analytical method. Analytical accuracy and precision are monitored by the analysis of duplicates, additional blank material and certified standards inserted in the sample stream. Samples are weighed as received, dried and split to less than 3kg then pulverised by LM-5 to ensure a minimum 90% passing at -75µm.

About RNC Minerals

RNC is focused on growing gold production and reducing costs at its integrated Beta Hunt Gold Mine and Higginsville Gold Operations ("HGO") in Western Australia. The Higginsville treatment facility is a low-cost 1.4 Mtpa processing plant with capacity from RNC's underground Beta Hunt mine and open pit Higginsville mine. At Beta Hunt, a robust gold mineral reserve is hosted in multiple gold shears, with gold intersections along a 4 km strike length remaining open in multiple directions. HGO has a substantial historical gold resource and highly prospective land package totaling approximately 1,800 square kilometers. In addition, RNC has a 28% interest in a nickel joint venture that owns the Dumont Nickel-Cobalt Project located in the Abitibi region of Quebec. Dumont contains the second largest nickel reserve and ninth largest cobalt reserve in the world. RNC has a strong Board and management team focused on delivering shareholder value. RNC's common shares trade on the Toronto Stock Exchange under the symbol RNX. RNC shares also trade on the OTCQX market under the symbol RNKLF.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to the liquidity and resources of RNC, production guidance and the potential of the Beta Hunt Mine, Higginsville Gold Operation and Dumont Project.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance or achievements of RNC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could affect the outcome include, among others: future prices and supply of metals; the results of drilling; inability to raise the money necessary to incur the expenditures required to retain and advance the properties; environmental liabilities (known and unknown); general business, economic, competitive, political and social uncertainties; results of exploration programs; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; or delays in obtaining governmental approvals, projected cash operating costs and the ability to obtain regulatory or shareholder approvals. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to RNC's filings with securities regulators, including the most recent Annual Information Form, available on SEDAR at www.sedar.com.

Although RNC has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and RNC disclaims any obligation to update any forward-looking statements, whether as a result of new information, future results or otherwise, except as required by applicable securities laws.

Cautionary Statement Regarding the Beta Hunt Mine and Higginsville

The decision to produce at the Beta Hunt Mine was not based on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, which include increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on SLM's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic

technical failure associated with such production decisions. It is further cautioned that mineral resources are not minerals and do not have demonstrated economic viability.

A production decision at the Higginsville gold operations was made by previous operators of the mine, prior to the completion of the acquisition of the Higginsville gold operations by RNC and RNC made a decision to continue production subsequent to the acquisition. This decision by RNC to continue production and, to the knowledge of RNC, the prior production decision was based on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there is an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, which includes risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Corporation's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

SOURCE RNC Minerals

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