

Orvana Reports First Quarter Results; Provides El Valle and Carlés Exploration Update

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On Track to Meet 2020 Production Guidance

All Amounts in US Dollars Unless Otherwise Stated

First Quarter of Fiscal 2020 Highlights:

- Production of 17,786 gold equivalent ounces (15,815 gold ounces, 0.9 million copper pounds and 30,959 silver ounces);
- Cash Operating Costs ("COC") and All in Sustaining Costs ("AISC") of \$1,207 and \$1,370;
- Revenue of \$29 million;
- EBITDA of \$1.5 million;
- Capital expenditures of \$1.8 million;
- Cash balance of \$8.1 million as of December 31, 2019;
- Continuing focus on the development of final engineering and financing for the oxides stockpile project with anticipated processing operations to resume in FY2021.

TORONTO, Feb. 10, 2020 - [Orvana Minerals Corp.](#) (TSX:ORV) (the "Company" or "Orvana") announced today financial and operational results for the first quarter of fiscal 2020 ("Q1 2020") for its El Valle and Carlés Mines operations in northern Mexico (managed by the Spanish subsidiary "OroValle") and for its Don Mario Mine operations in Bolivia (managed by the Bolivian subsidiary "EMIPA").

The unaudited, condensed interim consolidated financial statements for Q1 2020 and Management's Discussion and Analysis related thereto are available on SEDAR and on the Company's website at www.orvana.com.

Juan Gavidia, CEO of Orvana Minerals stated: "Our exploration program at El Valle is providing exciting results, showing potential to continue extending the mine life; at Carlés the drilling campaign is starting, and we expect to provide positive results in the future". Mr. Gavidia continued, "At Don Mario, the Company is focused on developing final engineering and financing for the Stockpile Project, and anticipates processing to resume in FY2021."

Q1 2020 Highlights:

- OroValle:
 - Gold production of 13,722 ounces, compared to 16,185 ounces in fourth quarter of fiscal 2019. Production decrease was due to a combination of 12% lower throughput and 3% lower head grade.
 - Copper production of 0.9 million pounds, compared to 1.1 million pounds in fourth quarter of fiscal 2019. Production decrease was due to a combination of 12% lower throughput and 10% lower head grade.
 - Reduction in throughput was due to a three hundred percent increase in rainfall above the usual average for the month of November and December. Heavier than expected rains caused hauling and blending issues at the mill and maintenance was rescheduled to the second quarter.
 - Twenty thousand tonnes of mined ore is now stockpiled and will be milled in the second quarter.
 - On track to meet FY2020 production guidance.
- EMIPA:

- ● In the first quarter of fiscal 2020 the Company announced the temporary suspension of mining operations at the Las Tojas open pit. The suspension was due to lower than expected ore-grades and operational mining dilution, resulting in uneconomic unitary costs per ounce.
- ● Care & Maintenance Program implemented during the first quarter of fiscal 2020:
 - ● Critical areas of the program are site security, environmental control, power generators maintenance, maintenance of process plant and mine equipment, maintenance of camp facilities.
 - ● Suspension program focused on maximized metal recoveries and infrastructure cleaning, preventing short-circuits.
 - ● Workforce restructuring included a reduction of 59 employees.
- ● Oxide Stockpile Project: The Company progressed with engineering and metallurgical studies to process the oxide stockpile at Don Mario and anticipates moving forward with the development of a new sulphidization plant to process a mineral resource of 2.18 million tonnes with an average grade of 1.85 Au g/t; and approximately 386,950 ounces of silver equivalent¹. It is expected that the Oxide Stockpile Project will be in operation by FY2021.

Note 1: Cautionary Statement – Mineral resources that are not mineral reserves do not have demonstrated economic viability. The mineral resource for the oxides stockpile was prepared in compliance with National Instrument 43-101 and ICSG guidelines, as set out in the Don Mario Mine Operation 2016 Technical Report dated January 27, 2017 and effective as of September 30, 2016 (the "2016 Report"). The 2016 Report was prepared on the assumption that the stockpile would be processed by floatation and would not be included in the carbon-in-leach circuit. However, during FY2018 and FY2019, the Company has been evaluating metallurgical alternatives to process the oxides stockpile, concluding that a sulphidization circuit would increase the value of the stockpile. A copy of the 2016 Report is posted under the Company's profile on www.sedar.com. These mineral resources were estimated using a gold price of US\$1,300 per ounce, copper price of US\$3.00 per pound and silver price of US\$17.00 per ounce, prices of which were used in the 2016 Report.

Selected Q1 2020 Consolidated Operational and Financial Information

	Q1 2020	Q4 2019	Q1 2019	FY 2019
Operating Performance				
Gold				
Grade (g/t)	2.42	2.17	2.54	2.34
Recovery (%)	92.2	89.9	93.7	92.6
Production (oz)	15,815	21,985	27,272	97,259
Sales (oz)	18,663	20,987	27,466	96,540
Average realized price / oz	\$1,473	\$1,444	\$1,226	\$1,304
Copper				
Grade (%)	0.36	0.40	0.48	0.45
Recovery (%)	71.5	73.5	75.9	76.3
Production ('000 lbs)	892	1,128	1,375	5,015
Sales ('000 lbs)	1,051	1,089	1,400	5,073
Average realized price / lb	2.64	2.65	\$2.81	2.77
Financial Performance (in 000's, except per share amounts)				
Revenue	\$29,020	\$32,382	\$36,318	\$135,544
Mining costs	\$26,004	\$27,147	\$30,595	\$113,558
Gross margin	(\$2,613)	(\$3,618)	\$865	(\$1,384)
Net income (loss)	(\$2,745)	(\$3,626)	(\$1,060)	(\$5,266)
Net income (loss) per share (basic/diluted)	(\$0.02)	(\$0.03)	(\$0.01)	(\$0.04)
EBITDA ⁽¹⁾	\$1,515	\$4,811	\$4,449	\$18,065
Operating cash flows before non-cash working capital changes				
capital changes	\$2,108	\$4,091	\$4,169	\$18,312
Operating cash flows	\$2,176	\$4,974	\$3,366	\$14,444
Free Cash Flow ⁽¹⁾	\$328	\$1,929	\$2,406	\$7,432
Ending cash and cash equivalents	\$8,135	\$12,351	\$8,325	\$12,351
Capital expenditures ⁽²⁾	\$1,780	\$2,162	\$1,749	\$10,880
Cash operating costs (by-product) (\$/oz) gold	\$1,207	\$1,206	\$1,025	\$1,094
All-in sustaining costs (by-product) (\$/oz) gold	\$1,370	\$1,358	\$1,161	\$1,253
All-in costs (by-product) (\$/oz) gold				

\$1,382

\$1,402

\$1,172

\$1,288

• Earnings before interest, taxes, depreciation and amortization ("EBITDA"), free cash flow, cash operating costs, all-in sustaining costs and all-in costs are non-IFRS performance measures.

• Capital expenditures are presented in the consolidated cash flows in the Audited Financials on a cash basis.

OroValle Exploration Update:

El Valle

A brownfield exploration program at El Valle commenced in Q1 2020. The exploration team is targeting oxide structures to the East of the El Valle High Angle area (Exploration growth area in the Figure 1) following the regional structures with a N35°E strike into the limestone and parallel to the High Angle area.

The first exploration drill hole, consisting of 256.30 metres, intersected fault zones with oxide clays and polymictic-mineralized breccias in four bands (dashed yellow lines in the Figure 1), returning intercepts of gold grades above 7 g/t Au and Cu grades of approximately 1%. Selected intercepts (Au > 1.5g/t) are shown in the table below:

DDH	From (m)	To (m)	Thick (m)	Au (g/t)	Ag (g/t)	Cu (%)
19HA26	21.45	22.40	0.95	38.18	7.40	0.91
19HA26	150.30	155.80	5.50	7.67	3.71	0.19
Including	151.45	153.80	2.35	13.10	3.03	0.23
19HA26	218.50	221.50	3.00	2.08	3.85	1.10
19HA26	246.80	248.20	1.4	1.93	1.2	0.14

The Company plans to carry out 600 metres in two drill holes (Figure 1) in the second quarter to further target the continuity of these structures with an additional 350 metres planned from area A208 (in the North area of El Valle) targeting new structures similar to the ones intersected from the High Angle.

Carlés

At Carlés, located approximately 24 kilometres from El Valle, a drill rig has been mobilized to commence a 3,500-metre drill campaign. The drill campaign will be focused on Carlés North (see Figure 2) which has a strike continuity of approximately 400 metres. Its average thickness is over six metres dipping to the North, more vertically in the upper levels and decreasing the dip at deeper levels. The Carlés North skarn has been exploited and contains defined mineralization to over 400 metres vertically and to 100 metres below the currently mined area; it remains open at depth. (See technical report on El Valle and Carlés Mines in compliance with the requirements of National Instrument 43-101 of the Canadian Securities Administrators entitled "Standards of Disclosure of Mineral Projects". The report, "Technical Report on El Valle Boinás-Carlés Operation, Asturias, Spain", dated September 26, 2014.)

The Exploration Team is targeting the extension of mineralization to over 500 metres vertically and at depth. Over 3,500 metres are planned in a directional drilling campaign from surface (Figure 3).

The Carlés deposit (Figure 2 Carlés Mineralized zones) is a gold and copper bearing skarn developed predominantly in the Devonian limestones of the lower portion of the Rañeces formation along the north margin of the Carlés granodiorite. The Carlés intrusion is circular in plan with a diameter of about 750 m. The northern part of the granodiorite is in contact with the lower part of the Rañeces Formation and the southern part of intrusion is in contact with the siliciclastic Furada Formation.

The Carlés skarn is of calcic composition. Gold mineralization is closely associated with copper sulphides, which consist of disseminated and patchy chalcopyrite and bornite that precipitated mainly in the magnetite zone. Other minerals in the skarn are arsenopyrite, löellingite, pyrrhotine, and pyrite. Mineralization is continuous along the contact between granodiorite and limestones.

Regional Targets

Orovalle has a robust regional exploration package consisting of 45,164 hectares, which includes concessions, and investigation permits, some of which are still in progress. Strategic near-term regional targets within our permits include drilling programs in Ortosa-Godán and Lidia permits. The Company is currently working to expedite permitting for both drilling programs.

Exploration Quality Control

The exploration update was prepared under the supervision of Guadalupe Collar Menéndez, a qualified person for the purposes of NI 43-101 and an employee of Orovalle Minerals S.L., a subsidiary of Orvana.

Technical Reports

In fiscal 2014, the Company engaged an independent engineering firm, Roscoe Postle Associates Inc. ("RPA"), to complete a technical report on El Valle and Carlés Mines in compliance with the requirements of National Instrument 43-101 of the Canadian Securities Administrators entitled "Standards of Disclosure of Mineral Projects". The report, "Technical Report on El Valle Boinás-Carlés Operation, Asturias, Spain", dated September 26, 2014, was prepared under the supervision of Mr. Jason J. Cox, P.Eng., who is a qualified person independent of the Company for the purposes of NI 43-101, and it was filed on September 29, 2014 ("El Valle Mine 43-101 Report"). The full text is available for viewing on SEDAR at www.sedar.com.

Further information related to the El Valle Mine and Carlés Mine geology and mineralization can be found on the Company's website www.orvana.com.

About Orvana Minerals Orvana is a multi-mine gold-copper-silver company. Orvana's assets consist of the producing El Valle and Carlés gold-copper-silver mines in northern Spain and the Don Mario gold-silver property in Bolivia, currently in care and maintenance. Additional information is available at Orvana's website (www.orvana.com).

Cautionary Statements - Forward-Looking Information

Certain statements made herein constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, potentials, future events or performance (often, but not always, using words or phrases such as "believes", "expects", "plans", "estimates", "intends" or "anticipates" or stating that certain actions, events or results "may", "could", "would", "might", "will" or "are projected to" be taken or achieved) are not statements of historical fact, but are forward-looking statements.

The forward-looking statements herein relate to, among other things, Orvana's ability to achieve improvement in free cash flow; the potential to extend the mine life of El Valle and Don Mario beyond their current life-of-mine estimates including specifically, but not limited to in the case of Don Mario, the processing of the mineral stockpiles and the reprocessing of the tailings material; Orvana's ability to optimize its assets to deliver shareholder value; the Company's ability to optimize productivity at Don Mario and El Valle; estimates of future production, operating costs and capital expenditures; mineral resource and reserve estimates; statements and information regarding future feasibility studies and their results; future transactions; future metal prices; the ability to achieve additional growth and geographic diversification; future financial performance, including the ability to increase cash flow and profits; future financing requirements; and mine development plans.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this news release, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in Orvana's most recently filed Management's Discussion & Analysis and Annual Information Form in respect of the Company's most recently completed fiscal year (the "Company Disclosures") or as otherwise expressly

incorporated herein by reference as well as: there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; permitting, development, operations, expansion and acquisitions at El Valle and Don Mario being consistent with the Company's current expectations; political developments in any jurisdiction in which the Company operates being consistent with its current expectations; certain price assumptions for gold, copper and silver; prices for key supplies being approximately consistent with current levels; production and cost of sales forecasts meeting expectations; the accuracy of the Company's current mineral reserve and mineral resource estimates; and labour and materials costs increasing on a basis consistent with Orvana's current expectations.

A variety of inherent risks, uncertainties and factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company and its business, and could cause actual events or results to differ materially from estimated or anticipated events or results expressed or implied by forward looking statements. Some of these risks, uncertainties and factors include fluctuations in the price of gold, silver and copper; the need to recalculate estimates of resources based on actual production experience; the failure to achieve production estimates; variations in the grade of ore mined; variations in the cost of operations; the availability of qualified personnel; the Company's ability to obtain and maintain all necessary regulatory approvals and licenses; the Company's ability to use cyanide in its mining operations; risks generally associated with mineral exploration and development, including the Company's ability to continue to operate the El Valle and/or Don Mario and/or ability to resume long-term operations at the Carlés Mine; the Company's ability to successfully implement a sulphidization circuit and ancillary facilities to process the current oxides stockpiles at Don Mario; the Company's ability to acquire and develop mineral properties and to successfully integrate such acquisitions; the Company's ability to execute on its strategy; the Company's ability to obtain financing when required on terms that are acceptable to the Company; challenges to the Company's interests in its property and mineral rights; current, pending and proposed legislative or regulatory developments or changes in political, social or economic conditions in the countries in which the Company operates; general economic conditions worldwide; and the risks identified in the Company's disclosures. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements and reference should also be made to the Company's Disclosures for a description of additional risk factors.

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