

Anaconda Mining Reports Q1 2020 Production Results And Provides Corporate Update

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TORONTO, April 15, 2020 - [Anaconda Mining Inc.](#) ("Anaconda" or the "Company") (TSX:ANX) (OTCQX:ANXGF) is pleased to announce production results and certain financial information from the three months ended March 31, 2020 ("Q1 2020"), as well as provide a corporate update concerning the ongoing COVID-19 pandemic. All dollar amounts are in Canadian Dollars. The Company expects to file its first quarter financial statements and management discussion and analysis by May 13, 2020.

First Quarter 2020 Highlights

- Anaconda sold 5,132 ounces of gold in Q1 2020, generating metal revenue of \$10.5 million at an average realized gold price¹ of \$2,051 (US\$1,526) per ounce sold.
- Point Rousse produced 4,997 ounces of gold in Q1 2020, a 20% increase compared to Q1 2019, due to higher mill throughput.
- Mine operations moved 103,222 tonnes of ore during the first quarter from the Pine Cove open pit at an average grade of 1.47 g/t at a strip ratio of 5.4 waste tonnes to ore tonnes. The Company ended the first quarter with over 45,000 tonnes of ore in stockpiles.
- The Pine Cove Mill processed 113,136 tonnes during Q1 2020 and achieved a recovery rate of 87.4%, an increase in throughput of 42% compared to Q1 2019 when unplanned maintenance of the regrind mill led to lower mill availability.
- Initiated exploration programs at multiple locations at the Point Rousse Project, which includes 5,500 metres of diamond and percussion drilling proximal to the Pine Cove, Argyle, and Stog'er Tight Deposits.
- Subsequent to quarter-end, Anaconda completed the spin-out and financing of its Narrow Vein Mining Project, which will advance the innovative technology with no further financial commitment from the Company.
- As at March 31, 2020, the Company had a cash balance of \$6.4 million, preliminary working capital¹ of \$3.7 million, and additional available liquidity of \$0.3 million² from an undrawn revolving line of credit facility.

¹ Refer to Non-IFRS Measures Section below.

² A portion of the previous \$1.0 million revolving line of credit facility limit was carved out and used as collateral relating to the Company's surety bonds associated with its reclamation liabilities (see Corporate Update section below).

COVID-19 Pandemic and Preparedness Update - As of today, Point Rousse continues to operate and to the Company's knowledge, no employees, contractors, or consultants directly involved with Anaconda, whether at corporate or at site, have been diagnosed with COVID-19. Strict health and safety protocols, including social distancing, remain in place and are continually reviewed based on recommendations from medical authorities. As reported in the press release dated March 26, 2020, the Company's corporate office remains closed for the foreseeable future, and the exploration program at the Tilt Cove Gold Project has been suspended.

"While we face a time of pronounced uncertainty, Anaconda has started the year strong with over 5,100 ounces of gold sold in the first quarter of 2020 at record high Canadian dollar gold prices. Mining continues from the Pine Cove Pit and the Pine Cove Mill achieved another successful quarter of throughput, achieving mill availability of 97.8% and an average mill recovery of 87.4%. I would like to thank all the staff at Anaconda that have ensured sustained and consistent operations during this pandemic, in particular our personnel and contractors at Point Rousse who continue to operate safely and maintain proper social distancing protocols. As a result of the strong quarter, we are in a strong financial position with \$6.4 million in cash, ensuring we have robust financial flexibility in the near-term."

~ Kevin Bullock, President and CEO, [Anaconda Mining Inc.](#)

First Quarter Operating Statistics

| Three months ended March 31, 2020 | Three months ended March 31, 2019 |
|-----------------------------------|-----------------------------------|
| Mine Statistics | |
| Ore production (tonnes) | 77,367 |
| Waste production (tonnes) | 279,412 |
| Total material moved (tonnes) | 356,779 |
| Waste: Ore ratio | 3.6 |
| Mill Statistics | |
| Availability (%) | 78.1 |
| Dry tonnes processed | 79,758 |
| Tonnes per day | 1,135 |
| Grade (grams per tonne) | 1.92 |
| Recovery (%) | 84.8 |
| Gold Ounces Produced | 4,176 |
| Gold Ounces Sold | 5,251 |

Operations Overview for the Three Months Ended March 31, 2020

Anaconda sold 5,132 ounces of gold during the first quarter of 2020, generating gold revenue of \$10.5 million at an average realized gold price¹ of \$2,051 (US\$1,526) per ounce sold. Gold production of 4,997 ounces was 20% higher than Q1 2019, due to better mill availability and resulting higher throughput. Low mill availability in Q1 2019 was due to planned maintenance on the main ball mill and unplanned maintenance for the regrind mill due to delayed shipment of trunnion liners, and the consequent decision to accelerate other maintenance programs. The Company remains on track to meet guidance and produce and sell between 18,000 and 19,000 ounces of gold from continued mining at the Pine Cove Pit.

¹ Refer to Non-IFRS Measures Section below.

Point Rousse Mill Operations - The Pine Cove Mill processed 113,136 tonnes during Q1 2020, an increase of 42% compared to the first quarter of 2019 when a combination of the planned maintenance on the main ball mill with unplanned maintenance on the head of the regrind mill resulted in low mill availability, which impacted throughput.

Average grade during Q1 2020 was 1.57 g/t, a 18% decrease over the first quarter of 2019, when mining was focused at the higher-grade Stog'er Tight Mine, but an increase of 27% over Q4 2019. The mill achieved an average recovery rate of 87.4%, an increase from 84.8% achieved in Q1 2019 despite the lower grade profile in Q1 2020. The higher throughput and better recovery resulted in gold production of 4,997 ounces, an increase of 20% compared to the first quarter of 2019.

Point Rousse Mine Operations - During the first quarter of 2020, the mine operations produced 113,136 tonnes of ore from the Pine Cove Pit, which is expected to be the exclusive source for ore in 2020. Ore mined during Q1 2020 was up significantly compared to the first quarter of 2019, which reflects the higher mining rate at the Pine Cove Pit compared to the lower tonnage profile of mining at Stog'er Tight, which was the main mining area in the prior period. From a production perspective, the higher tonnes mined from Pine Cove has offset the higher relative grade profile of Stog'er Tight, as demonstrated by the 20% increase in gold ounces produced in Q1 2020. The Company ended the first quarter with an ore stockpile of over 45,000 tonnes.

The mine operations achieved a strip ratio of 5.4 waste tonnes to ore tonnes at the Pine Cove Pit, an increase compared to Q4 2019 as higher waste development was required to access ore zones for the second quarter. The strip ratio is expected to decrease throughout 2020. The strip ratio is higher compared to the first quarter of 2019 when planned pushbacks to the Pine Cove Pit were delayed to the second quarter of 2019.

Corporate Update

Subsequent to March 31, 2020, the Company, through a subsidiary called Novamera Inc., completed a \$2.0 million financing with a venture capital firm to further the advancement of its Narrow Vein Mining Project (the "Project"). The Project is advancing drilling technology to recover ore from steeply dipping, narrow vein deposits that are considered uneconomic when applying traditional extraction methods. As part of the funding arrangement, the technology and related agreements were transferred to Novamera Inc., of which the Company retains a 34% undiluted interest and has no further financial obligations to advance the Project forward.

During the first quarter of 2020, the Company changed insurance companies which provide the surety bonds that backstop its performance obligations with respect to reclamation obligations at the Company's sites. Under the terms of the replacement surety bonds, the Company was required to provide collateral of \$0.7 million, equivalent to 25% of the value of the bonds. The collateral was provided in the form of a letter of credit from the Royal Bank of Canada, which was carved out of the existing \$1.0 million undrawn revolving line of credit. As a result, the Company currently maintains a revolving line of credit facility in the amount of \$0.3 million.

As part of the appointment of Mary-Lynn Oke to the Board of Directors (see press release dated March 31, 2020), the Company granted 40,000 share units pursuant to the Company's Share Unit Plan.

Qualified Person

Kevin Bullock, P. Eng., President and CEO, [Anaconda Mining Inc.](#), is a "qualified person" as such term is defined in National Instrument 43-101 and has reviewed and approved the technical information and data included in this press release.

ABOUT ANACONDA

Anaconda is a TSX and OTCQX-listed gold mining, development, and exploration company, focused in Atlantic Canada. The company operates mining and milling operations in the prolific Baie Verte Mining District of Newfoundland which includes the fully-permitted Pine Cove Mill, tailings facility and deep-water port, as well as ~11,000 hectares of highly prospective mineral lands including those adjacent to the past producing, high-grade Nugget Pond Mine at its Tilt Cove Gold Project. Anaconda is also developing the Goldboro Gold Project in Nova Scotia, a high-grade resource and the subject of an on-going feasibility study.

NON-IFRS MEASURES

Anaconda has included certain non-IFRS performance measures as detailed below. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. 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 flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Average Realized Gold Price per Ounce Sold - In the gold mining industry, average realized gold price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist readers in evaluating the revenue received in a period from each ounce of gold sold.

Working Capital - Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets.

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable Canadian and United States securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Anaconda to be materially different from those expressed or implied by such forward-looking information, including risks associated with the exploration, development and mining such as economic factors as they effect exploration, future commodity prices, changes in foreign exchange and interest rates, actual results of current production, development and exploration activities, government regulation, political or economic developments, environmental risks, permitting timelines, capital expenditures, operating or technical difficulties in connection with development activities, employee relations, the speculative nature of gold exploration and development, including the risks of diminishing quantities of grades of resources, contests over title to properties, and changes in project parameters as plans continue to be refined as well as those risk factors discussed in Anaconda's annual information form for the year ended December 31, 2019, available on www.sedar.com. Although Anaconda has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Anaconda does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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