

Erdene Provides Second Quarter Financial and Bayan Khundii Gold Project Update

17.08.2020 | [GlobeNewswire](#)

HALIFAX, Aug. 17, 2020 - [Erdene Resource Development Corp.](#) (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is pleased to announce operating and financial results for the three and six months ended June 30, 2020 and to provide an update on the Bayan Khundii Gold Project. This release should be read in conjunction with the Company's Q2-2020 Financial Statements, MD&A and Annual Information Form, available on the Company's website or SEDAR.

Quotes from the Company:

"We made significant progress on our two core objectives of advancing the Bayan Khundii Gold Project (Bayan Khundii or BK) towards development and expanding high-grade gold resources in the Khundii Gold District during the second quarter," said Peter Akerley, Erdene's President and CEO.

"Results from our Q2 2020 exploration program were outstanding, with near-surface, high-grade gold intersections in all the areas targeted," said Mr. Akerley. "We have identified three distinct high-grade zones to target additional exploration drilling within the Khundii Gold District in Q3 2020."

"The recently announced Bayan Khundii Bankable Feasibility Study results demonstrate the strong economics of the high-grade BK project, employing conventional mining and processing techniques," continued Mr. Akerley. "As a low-CAPEX, a low-OPEX project with less than two-year payback and significant growth potential, Bayan Khundii offers investors and stakeholders exposure and leverage to gold price as we move towards first production in 2022."

"With the proceeds of the recent C\$20 million financing, led by a strategic C\$15 million investment from Eric Sprott, we have the funds to aggressively continue exploration to expand resources and to commence early works for the BK development," concluded Mr. Akerley.

Q2-2020 Highlights and Subsequent Events:

Bayan Khundii Gold Project; 100% Erdene

- Announced positive results of the BK BFS on July 20 (results at US\$1,400/oz gold price, unless noted):
 - ? After-tax Net Present Value of US\$100 million (NPV5%) and 42% Internal Rate of Return (IRR), increasing to US\$216 million and 77% IRR, respectively, at a gold price of US\$1,800/oz
 - ? Life of Mine Earnings Before Interest, Taxes and Depreciation of US\$257 million, increasing to US\$400M at a US\$1,800/oz gold price
 - ? 381,700 ounces gold recovered over the initial phase of the Khundii Gold District development
 - ? All-in sustaining cost (AISC) of US\$733/oz and upfront capital expenditure of US\$59 million
 - ? Measured and Indicated Resources of 521,000 ounces gold at an average grade of 3.16 g/t gold
 - ? Proven and Probable Reserves of 409,000 ounces gold at an average grade of 3.71 g/t gold
 - ? Average annual gold production of 63,500 ounces, including 77,600 ounces in Year 2
 - ? Eight-year project, including one-year pre-production, six-year operating life and one-year closure
 - ? Payback period of less than 2 years
 - ? Adjacent high-grade resources and recent discoveries provide excellent growth opportunities
 - ? Significant benefits to Mongolia, including Life of Mine royalties and taxes of US\$103 million and approximately 400 new direct jobs in Bayankhongor Province

- Completed the ESIA and the Mongolian statutory Detailed Environmental Impact Assessment (DEIA) for BK, built upon the ESIA, has been fully drafted in advance of public consultations:
 - ? These studies provide detailed background information, assessment, and management commitments for major impact domains, including climate and air quality, water, biodiversity conservation, economy and employment, land use, cultural heritage, occupational and community health, safety, security, and transport
 - ? Public consultations are planned in late Q3 2020, following which the company will submit the BK DEIA to the Mongolian government for approval
- Obtained several necessary permits and regulatory approvals required for mine development:
 - ? Land use permits issued, granting access to an initial 100-hectare area needed to construct the BK open-pit and associated surface infrastructure
 - ? Tax stabilization certificate conditionally approved, fixing tax rates for a period of nine years on no less favourable terms than the current conditions in place in Mongolia

Exploration

- Confirmed three new near-surface, high-grade gold zones on the Khundii Mining License:
 - ? Discovered a very high-grade gold zone starting at the surface in the Midfield SE zone:
 - ? Intersected 5.5 metres of 125.9 g/t gold, including 1 metre of 581.6 g/t gold, in BKD-288, beginning 11.5 metres downhole
 - ? Drilled 15 metres of 25.6 g/t gold, including 1 metre of 338 g/t gold beginning at 14.9 metres in BKD-274, 40 metres north of BKD-288
 - ? Intersected anomalous mineralization in 16 of 18 holes, all within 25 metres from the surface
 - ? The area is currently classified as waste or low-grade stockpile material in the resource model
 - ? Intersected anomalous (0.2 g/t) gold in all 11 holes in a 100m x 50m area at Striker SW
 - ? BKD-292 intersected 15 metres of 29 g/t gold beginning 0.9 metres from drill collar, including one metre of 353 g/t gold
 - ? Trenched high-grade zones at recently discovered Khar Mori (Dark Horse) prospect
 - ? Returned 6 metres grading 8.8 g/t gold, including 1 metre of 50.8 g/t gold on the main Dark Horse structure in trench KMT-01
 - ? Trenched 4 metres of 14 g/t gold, including 1 metre of 45.3 g/t gold at KMT-03 on a structural intersection zone 850 metres east southeast of KMT-01

Financial and Corporate Highlights

- Closed \$20 million financing led by \$15 million strategic investment from Eric Sprott
 - ? Proceeds will be used to advance exploration of the Khundii Gold District and development of the Bayan Khundii Gold Project and for working capital and general corporate purposes
- Recorded a net loss of \$6,677,985 for the three months ended June 30, 2020, compared to a net loss of \$755,291 for the comparative 2019 period
 - ? Exploration and Evaluation expenditures, including capitalized costs of \$2,036,502 in Q2 2020 exceeded expenditures of \$1,807,460 for Q2 2019 as increased technical consultant costs associated with the Bayan Khundii Bankable Feasibility Study more than offset lower exploration activity
 - ? Corporate and administrative expenses, excluding non-cash, share-based compensation and depreciation were \$225,948 for the three months ended June 30, 2020, versus \$259,666 in the prior-year quarter as lower directors' fees and travel costs more than offset increased professional fees
 - ? Non-cash fair value adjustment of \$5,740,401 and accrued interest expense of \$502,991 in the current quarter relating to the convertible loan from the European Bank for Reconstruction and Development (EBRD) that was secured in Q4 2019

Background on the Bayan Khundii Gold Project Development

Erdene's deposits are located in the Edren Terrane, within the Central Asian Orogenic Belt, host to some of the world's largest gold and copper-gold deposits. The Company has been the leader in exploration in southwest Mongolia over the past decade and is responsible for the discovery of the Khundii Gold District comprised of multiple high-grade gold and gold/base metal prospects, two of which are being considered for development: the 100%-owned Bayan Khundii and Altan Nar projects. Together, these deposits form the Khundii Gold Project.

In July 2020, Erdene announced the results of an independent Feasibility Study for the Bayan Khundii Gold

Project (press release here). The Feasibility Study results include an after-tax Net Present Value at a 5% discount rate and a US\$1,400/oz gold price of US\$100 million and Internal Rate of Return (IRR) of 42%. The Feasibility Study envisions an open-pit mine at Bayan Khundii from Years 0-7, producing an average of 63,500 oz gold per year at a head grade of 3.71 g/t gold, utilizing a conventional carbon in pulp processing plant at the Bayan Khundii mine. Production is expected to commence in early 2022 based on the current project schedule.

Qualified Person and Sample Protocol

Peter Dalton, P.Geo. (Nova Scotia), Senior Geologist for Erdene, is the Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release. All samples have been assayed at SGS Laboratory in Ulaanbaatar, Mongolia. In addition to internal checks by SGS Laboratory, the Company incorporates a QA/QC sample protocol utilizing prepared standards and blanks. All samples undergo standard fire assay analysis for gold and ICP-OES (Inductively Coupled Plasma Optical Emission Spectroscopy) analysis for 33 additional elements. For samples that initially return a grade greater than 5 g/t gold, additional screen-metallic gold analysis is carried out which provides a weighted average gold grade from fire assay analysis of the entire +75 micron fraction and three 30-gram samples of the -75 micron fraction from a 500 gram sample.

Erdene's drill core sampling protocol consisted of collection of samples over 1 or 2 m intervals (depending on the lithology and style of mineralization) over the entire length of the drill hole, excluding minor post-mineral lithologies and un-mineralized granitoids. Sample intervals were based on meterage, not geological controls or mineralization. All drill core was cut in half with a diamond saw, with half of the core placed in sample bags and the remaining half securely retained in core boxes at Erdene's Bayan Khundii exploration camp. All samples were organized into batches of 30 including a commercially prepared standard, blank and either a field duplicate, consisting of two quarter-core intervals, or a laboratory duplicate. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

About Erdene

[Erdene Resource Development Corp.](#) is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metals projects in underexplored and highly prospective Mongolia. The Company is advancing the high-grade, low-cost and low capital intensity Bayan Khundii Gold Project targeting first gold production in early 2022. The Project is located in Southwest Mongolia where the Company has interests in three mining licenses and two exploration licenses in the highly prospective Khundii Gold District. [Erdene Resource Development Corp.](#) is listed on the Toronto and the Mongolian stock exchanges. Further information is available at www.erdene.com. Important information may be disseminated exclusively via the website; investors should consult the site to access this information.

Forward-Looking Statements

Certain information regarding Erdene contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Erdene believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Erdene cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Erdene currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include the ability to obtain required third party approvals, market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and is subject to change after that date. The Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE

Erdene Contact Information

Peter C. Akerley, President and CEO, or
Robert Jenkins, CFO

Phone: (902) 423-6419

Twitter: <https://twitter.com/ErdeneRes>

Facebook: <https://www.facebook.com/ErdeneResource>

LinkedIn: <https://www.linkedin.com/company/erdene-resource-development-corp/>

YouTube: <https://www.youtube.com/channel/UCILs5s9j3SLmya9vo2-KXoA>

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/359324--Erdene-Provides-Second-Quarter-Financial-and-Bayan-Khundji-Gold-Project-Update.html>

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 -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).