

# Fiore Gold's Fiscal Q3 Delivers \$6.0 Million Operating Cash Flow

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[Fiore Gold Ltd.](#) (TSXV:F) (OTCQB:FIOGF) (FSE:2FO) ("Fiore" or the "Company") is pleased to announce that its financial statements and management's discussion and analysis for the third fiscal quarter ("Q3 2021") ended June 30, 2021, have been filed with the securities regulatory authorities and are available at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.fioregold.com](http://www.fioregold.com).

## Fiscal Q3 2021 Highlights

(all figures in U.S. dollars unless otherwise indicated)

### Operating & Financial

- Q3 gold production of 11,751 ounces, an 8% increase compared to Q2 2021 as heap leach pH and alkalinity levels improved during the quarter
- Gold sales of 11,741 ounces at an average realized price of \$1,815 per ounce
- First ore placed on the new leach pad in June 2021 and irrigation commenced in early July, which is expected to further improve gold production in fiscal Q4
- Mined ore production in Q3 of 12,557 tons per day ("tpd") with a stripping ratio of 1.8:1.0 and grade of 0.46 grams per tonne ("g/t") or 0.013 ounces/ton ("opt")
- 82,028 total site hours worked in Q3 with no reportable environmental incidents at a Total Recordable Injury Frequency Rate ("TRIFR") of 3.7
- Q3 cash costs per ounce sold <sup>1</sup> of \$1,073
- Q3 Pan Mine AISC <sup>1</sup> per ounce sold of \$1,100 and Fiore consolidated AISC <sup>1</sup> of \$1,247
- Recorded quarterly revenues of \$21.3 million with mine operating income of \$7.2 million
- Generated Pan operating cash flow <sup>1</sup> of \$6.9 million and consolidated operating cash flow of \$6.0 million
- Net income of \$4.1 million and \$0.04 net earnings per share
- Closing cash balance of \$18.5 million at June 30, 2021, an increase in cash from March 31, 2021 despite investment in the expansion of the Pan heap leach pad to accommodate added mine life and on-going drilling and Feasibility Study activities to advance Gold Rock

### Organic Growth

- During the quarter, we agreed to acquire a 100% interest in the past producing Illipah project, adding further exploration ground in Nevada (refer to our June 14, 2021 news release for additional details) and subsequent to quarter end on July 22, 2021, announced the completion of the acquisition
- Gold Rock drill results announced during the quarter were headlined by 24.4 metres of 2.85 g/t gold and 40.3 metres of 0.70 g/t gold

<sup>1</sup> This is a non-IFRS financial measure. Please refer to "Non-IFRS Financial Measures" at the end of this news release for a description of these non-IFRS financial measures and to the Non-IFRS Financial measures in the June 30, 2021 Management's Discussion and Analysis for a reconciliation to operating costs from the Company's interim financial statements.

Tim Warman, Fiore's CEO commented, "Strong gold production continued to drive strong operating cash flow of \$6.0 million in the quarter, as Pan continues to fire on all cylinders. Cash balance and working capital both increased despite ongoing investment in our leach pad expansion and additional Gold Rock drilling. We expect further production improvement in fiscal Q4 as we irrigate fresh ore directly above the liner on the new leach pad. With Pan performing well, we plan to invest in an aggressive exploration program over the next 12-18 months covering our 200 km<sup>2</sup> Pan and Gold Rock land package, as well as our newly acquired Illipah project. Given the success of previous drill programs at both Pan and Gold Rock, we are confident that this expanded exploration program will demonstrate the longer-term potential of all our Nevada assets."

Review of Operating Results

| Operating Results                 | Three Months Ended<br>June 30, |           |
|-----------------------------------|--------------------------------|-----------|
|                                   | 2021                           | 2020      |
| Ore Mined                         | 1,142,648                      | 1,353,799 |
| Waste Mined                       | 2,013,618                      | 1,795,385 |
| Total Mined                       | 3,156,266                      | 3,149,184 |
| Gold Ounces Mined                 | 15,382                         | 21,622    |
| Ore Grade Mined                   | 0.013                          | 0.016     |
| Ore Grade Mined                   | 0.462                          | 0.548     |
| Strip waste/ore Ratio             | 1.8                            | 1.3       |
| Gold Ounces Produced              | 11,751                         | 12,764    |
| Gold Ounces Sold (Payable)        | 11,741                         | 12,761    |
| Average Realized Price            | 1,815                          | 1,720     |
| Total Cash Costs per Ounce        | 1,073                          | 916       |
| Cost of Sales per Ounce           | 1,201                          | 1,070     |
| Pan Mine AISC per Ounce           | 1,100                          | 1,010     |
| Fiore Consolidated AISC per Ounce | 1,247                          | 1,128     |

Production increased relative to Q2 2021 and was lower than the prior year quarter in part due to lower

grade mined per the mine schedule. Cost metrics were slightly higher than prior year due mainly to the higher strip ratio, which was above the life of mine average.

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### Q3 2021 Financial Results

Three Months Ended June 30,

| Financial Results of Operations    | 2021   | 2020    |
|------------------------------------|--------|---------|
| Select Items                       |        |         |
| -                                  |        |         |
| \$000's                            |        | \$000's |
| a Consolidated Basis               |        |         |
| Revenue                            | 21,608 | 21,959  |
| Mine Operating Income              | 7,202  | 8,304   |
| Income from Operations             | 5,410  | 6,508   |
| Net Income                         | 4,140  | 5,136   |
| Adjusted Net Earnings <sup>1</sup> | 4,267  | 5,712   |

| Financial Position as of:                  | June 30, 2021 | September 30, 2020 |
|--|---------------|--------------------|
| Select Items                               |               |                    |
| -  |               |                    |
| \$000's                                    |               | \$000's            |
| a Consolidated Basis                       |               |                    |
| Current Assets                             | 16,481        | 23,207             |
| Investments                                | 1,200         | 26,256             |
| Total Assets                               | 17,681        | 50,786             |
| Mineral Property, Plant and Equipment, net | 19,540        | 11,412             |
| Evaluation Assets                          | 8,786         | 4,512              |

|                               |          |
|-------------------------------|----------|
| Total<br>Assets               | 75,770   |
| Total<br>Liabilities          | (10,743) |
| Long-Term<br>Liabilities      | (7,231)  |
| Working<br>Capital<br>Surplus | 40,043   |

Our liquidity and financial position remain strong with a cash balance of \$18.5 million and working capital of \$42.1 million. Refer to the Company's MD&A and Financial Statements for additional information. Our financial strength puts Fiore in a good position to continue to progress our growth assets.

### Corporate Strategy

Our corporate strategy is to grow Fiore Gold into a 150,000 ounce per year gold producer focused on stable jurisdictions. To achieve this, we intend to:

- grow gold production at the Pan Mine while also growing the reserve and resource base;
- advance exploration and development of the nearby Gold Rock project; and
- acquire additional production or near-production assets to complement our existing operations.

### Qualified Person

The scientific and technical information contained in this news release relating to Fiore Gold's Pan Mine was approved by J. Ross MacLean (MMSA), Fiore Gold's Chief Operating Officer and a "Qualified Person" under National Instrument 43-101.

On behalf of [Fiore Gold Ltd.](#)  
" Tim Warman "  
Chief Executive Officer

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

### Non-IFRS Financial Measures

The Company has included certain non-IFRS measures in this document, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are 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. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

"Adjusted net earnings" and "adjusted net earnings per share" are non-IFRS financial performance measures. Adjusted net earnings excludes the following from net earnings: certain impairment charges (reversals) related to intangibles, goodwill, property, plant and equipment, and investments; gains (losses) and other one-time costs relating to acquisitions or dispositions; foreign currency translation gains (losses); significant tax adjustments not related to current period earnings; unrealized gains (losses) on non-hedge derivative instruments; and the tax effect and non-controlling interest of these items. The Company uses this

measure internally to evaluate our underlying operating performance for the reporting periods presented and to assist with the planning and forecasting of future operating results. We believe that adjusted net earnings are a useful measure of our performance because these adjusting items do not reflect the underlying operating performance of our business and are not necessarily indicative of future operating results.

We have adopted "all-in sustaining costs" measures for the Pan Mine and Fiore as a consolidated group, consistent with guidance issued by the World Gold Council ("WGC") on June 27, 2013. We believe that the use of all-in sustaining costs is helpful to analysts, investors and other stakeholders in assessing our operating performance, our ability to generate free cash flow from current operations and our overall value. These measures are helpful to governments and local communities in understanding the economics of gold mining. The "all-in sustaining costs" measure is an extension of existing "cash cost" metrics and incorporates costs related to sustaining production. The WGC definition of all-in sustaining costs seeks to extend the definition of total cash costs by adding reclamation and remediation costs, exploration and study costs, capitalized stripping costs, corporate general and administrative costs and sustaining capital expenditures to represent the total costs of producing gold from current operations. All-in sustaining costs exclude income tax, interest costs, depreciation, non-sustaining capital expenditures, non-sustaining exploration expense and other items needed to normalize earnings. Therefore, these measures are not indicative of our cash expenditures or overall profitability.

"Total cash cost per ounce sold" is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. We believe 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. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate operating earnings and cash flow from its mining operations. "Costs of sales per ounce sold" adds depreciation and depletion and share based compensation allocated to production to the cash costs figures.

Total cash costs figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is considered the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary, and the cost measures presented may not be comparable to other similarly titled measure of other companies.

"Total cash costs per ounce", "cost of sales per ounce", "all-in sustaining costs per ounce", "Pan operating income" and "Pan operating cash flow" are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate the measure differently.

"Average realized price" is a financial measure with no standard meaning under IFRS. Management uses this measure to better understand the price realized in each reporting period for gold sales. Average realized price excludes from revenues unrealized gains and losses, if applicable, on non-hedge derivative contracts. The average realized price is intended to provide additional information only and does not have any standardized definition under IFRS; it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate this measure differently.

#### Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" and "forward-looking information" (as defined under applicable securities laws), based on management's best estimates, assumptions and current expectations. Such statements include but are not limited to, statements with respect to future operations, expected production, expected costs, expected financial performance and strength, expectations for growth, expectation that new leach pad will improve gold production in Q4, future investments in the Company's assets and capital expenditures, Gold Rock drilling and development, expectations for a Gold Rock Feasibility Study, confidence that prior success of drill programs leads the Company to believe an expanded exploration program will be successful, goal to become a 100% multi-asset domestic US Gold producer, company outlook, goal to become a 150,000 ounce producer, goal to acquire additional production or near

production assets, and other statements, estimates or expectations. Often, but not always, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "targets", "forecasts", "intends", "anticipates", "scheduled", "estimates", "aims", "will", "believes", "projects" and similar expressions (including negative variations) which by their nature refer to future events. By their very nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Fiore Gold's control. These statements should not be read as guarantees of future performance or results. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, as well as a number of assumptions made by, and information currently available to, the Company concerning, among other things, anticipated geological formations, potential mineralization, future plans for exploration and/or development, potential future production, ability to obtain permits for future operations, drilling exposure, and exploration budgets and timing of expenditures, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Fiore Gold to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include, but not limited to, risks related to the Pan Mine performance; risks related to the COVID-19 pandemic, including government restrictions impacting our operations, risks the pandemic poses to our work-force, impacts the virus may have on ability to obtain services and materials from our suppliers and contractors; risks related to the company's limited operating history; risks related to international operations; risks related to general economic conditions, actual results of current or future exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in ore reserves, grade or recovery rates; uncertainties involved in the interpretation of drilling results, test results and the estimation of gold resources and reserves; failure of plant, equipment or processes to operate as anticipated; the possibility that capital and operating costs may be higher than currently estimated; the possibility of cost overruns or unanticipated expenses in the work programs; availability of financing; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in the completion of exploration, development or construction activities; the possibility that required permits may not be obtained on a timely manner or at all; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which Fiore Gold operates, and other factors identified in Fiore Gold's filings with Canadian securities authorities under its profile at [www.sedar.com](http://www.sedar.com) respecting the risks affecting Fiore and its business. Although Fiore has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements and forward-looking information are made as of the date hereof and are qualified in their entirety by this cautionary statement. Fiore disclaims any obligation to revise or update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or forward-looking information contained herein to reflect future results, events or developments, except as require by law. Accordingly, readers should not place undue reliance on forward-looking statements and information.

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