

# Anaconda Mining Announces Q4 and Full Year 2021 Production Results and Provides 2022 Production Guidance

18.01.2022 | [ACCESS Newswire](#)

TORONTO, January 18, 2022 - [Anaconda Mining Inc.](#) ("Anaconda" or the "Company") (TSX:ANX)(OTCQX:ANXGF) is pleased to report its production results and certain preliminary and unaudited financial information for the three months and year ended December 31, 2021. All dollar amounts are in Canadian Dollars. The Company expects to file its full audited annual financial statements and management discussion and analysis by February 24, 2022. The Company is also pleased to provide production guidance for the upcoming 2022 fiscal year.

## 2021 Highlights

- Anaconda produced 12,054 ounces of gold in 2021 from its Point Rousse operation, achieving its revised annual guidance of approximately 12,000 ounces. The revised annual guidance was based on the mine plan from an updated Probable Mineral Reserve<sup>1</sup> for Argyle as of September 1, 2021, which included 529,100 tonnes at an average diluted grade of 1.99 grams per tonne ("g/t") gold containing 33,850 ounces.
- Based on the updated Probable Mineral Reserve, Argyle demonstrates robust economics with undiscounted after-tax cash flows of \$18.4 million and an after-tax NPV (5%) of \$17.4 million with an IRR of 1,631%, using a base case gold price of \$2,000 (US\$1,550) <sup>1</sup>.
- The Company sold 12,218 ounces of gold in 2021, generating metal revenue of \$27.6 million at an average realized gold price<sup>2</sup> of C\$2,261 (US\$1,804) per ounce of gold.
- The Pine Cove Mill achieved annual throughput of 446,562 tonnes during 2021, attaining similar mill throughput compared to 2020 despite unplanned ball mill and crusher downtime in Q1 2021. The mill also achieved a strong average recovery of 86.5%, despite the relatively lower-grade profile of mill throughput during the year.
- Mining operations moved 209,157 ore tonnes and 2,853,011 waste tonnes during 2021, reflecting the heavy focus on mine development for Argyle up until Q3 2021. As a result, the mine was able to produce 102,395 tonnes in Q4 2021, almost 49% of the annual total, and is positioned to continue more productive mining into 2022.
- As of December 31, 2021, the Company had a cash balance of \$10.1 million, preliminary working capital<sup>2</sup> of \$1.4 million, and additional available liquidity of \$3.0 million from an undrawn revolving line of credit facility.
- In December 2021, the Company executed a \$5.0 million gold prepayment facility to provide further un-dilutive liquidity as the Company completes the Feasibility Study and Environmental Assessment Registration Document for the Goldboro Gold Project. The facility will be repaid in gold deliveries totaling 2,273 ounces over the next nine months.

## 2022 Guidance

- Gold production and sales of between 21,500 and 23,000 ounces, projected to be a record year of production.
- Operating cash costs per ounce sold<sup>2</sup> between \$1,150 and \$1,250 per ounce of gold (US\$920 - US\$1,000 at an approximate exchange rate of 0.80).
- Continued advancement of the expanded Stog'er Tight Mineral Resource, which now includes 62,300 ounces of Indicated Mineral Resource and 9,600 ounces of Inferred Mineral Resource within constrained open pit shells.

<sup>1</sup> Refer to the technical report entitled "2021 NI 43-101 Technical Report, Mineral Resources and Mineral Reserve Update on the Point Rousse Project, Baie Verte, Newfoundland and Labrador, Canada" dated November 27, 2021. The technical report is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.anacondamining.com](http://www.anacondamining.com).

<sup>2</sup> Refer to Non-IFRS Measures Section below. Non-IFRS financial measures are not standardized financial

measures under the financial reporting framework used to prepare the financial statements and may not be comparable to similar financial measures disclosed by other issuers

"While 2021 was a challenging year operationally for our Point Rousse operation, the site finished the year strong, producing 4,095 ounces of gold in Q4 2021, resulting in annual production of 12,054 ounces, in line with revised guidance. The Company continues to be confident in the independently prepared updated mine plan for the Argyle Gold Mine implemented in the third quarter, and we continue to reconcile to plan so far in 2022. While annual production was lower than historical performance, the adjustments to the mine plan have set Point Rousse up for a strong year in 2022. We are guiding for a record year of gold production in 2022 of between 21,500 and 23,000 ounces at operating cash costs per ounce of between \$1,150 and \$1,250 per ounce of gold sold (US\$920 - US\$1,000). We also continue to advance the expanded Stog'er Tight Deposit, which now includes 62,300 ounces of Indicated Mineral Resource and 9,600 ounces of Inferred Mineral Resource. We believe the Point Rousse Project has the potential for continued cash generation for several years. "

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

## 2022 Guidance

Anaconda is projecting to produce between 21,500 and 23,000 ounces of gold in 2022, a record year of production for Point Rousse, with mill feed predominantly from mining at the Argyle Gold Mine and supplemented with lower-grade Pine Cove stockpiles. Operating cash costs per ounce<sup>1</sup> for the full year are expected to be between \$1,150 and \$1,250 per ounce of gold sold (US\$920 - US\$1,000 at an approximate exchange rate of 0.80), reflecting the lower strip ratio and increasing grade profile after heavy focus on mine development in 2021. The 2022 guidance reflects the updated Mineral Reserve and Resource Estimate for the Argyle Deposit prepared independently by Nordmin Engineering Ltd.

The Company expects to incur approximately \$2,500,000 in sustaining capital expenditures in 2022 at Point Rousse, which mainly reflects remaining mine development at Argyle and capital upgrades for the Pine Cove Mill. Sustaining capital also reflects costs required to continue progressing the Stog'er Tight Deposit.

## Operating Statistics for the Three Months and Year Ended December 31, 2021

	Three months ended December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2020
<b>Mine Statistics</b>			
Ore production (tonnes)	102,395	110,455	209,850
Waste production (tonnes)	918,217	453,859	2,800,000
Total material moved (tonnes)	1,020,612	564,314	3,000,000
Waste: Ore ratio	9.0	4.1	13.4
<b>Mill Statistics</b>			
Availability (%)	97.8	91.5	93.0
Dry tonnes processed	118,011	107,257	446,000
Tonnes per day ("tpd")	1,312	1,274	1,300
Grade (grams per tonne)	1.23	1.39	0.9
Recovery (%)	87.8	86.8	86.0
Gold Ounces Produced	4,095	4,171	12,054

Gold Ounces Sold	3,368	3,970
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## Operations Overview for the Three Months and Year Ended December 31, 2021

Anaconda produced 4,095 ounces of gold in the fourth quarter of 2021, an 85% increase over the third quarter of 2021 when mine activity was focused on mine waste development to provide access to higher grade ore at Argyle. Gold production for 2021 was 12,054 ounces, achieving revised annual guidance of approximately 12,000 ounces. The revised annual guidance was based on the mine plan from an updated Probable Mineral Reserve for Argyle as of September 1, 2021. The Company sold 3,368 ounces of gold in the fourth quarter of 2021 and 12,218 ounces for the year, generating metal revenue of \$27.6 million at an average realized gold price<sup>1</sup> of C\$2,261 (US\$1,804) per ounce of gold.

After heavy focus on mine waste development in the third quarter, the mining operation moved 102,395 tonnes of ore in Q4 2021, almost 49% of the total ore tonnes mined in 2021 of 209,157 tonnes. This is a significant decrease from the 512,028 tonnes of ore mined in 2020, when the operation was concentrated on the higher-tonnage Pine Cove mine during the first half of the year. Waste production in the fourth quarter was 918,217 tonnes and 2,853,011 tonnes for the full year, reflecting the focus on mine waste development at Argyle and resulting in a strip ratio of 13.6 waste tonnes to ore tonnes. The strip ratio of 3.8 waste tonnes to ore tonnes in 2020 reflects mining in the final lower benches of the Pine Cove open pit.

The Pine Cove Mill posted another strong quarter of performance, processing 118,011 tonnes during Q4 2021 and achieving an availability rate of 97.8%, resulting in a throughput rate of 1,312 tonnes per day, a slight increase compared to the corresponding period of 2020. Total tonnes milled for 2021 was 446,562 tonnes, only 3% lower than 2020 despite unplanned maintenance relating to the ball mill and the jaw crusher in the first quarter of 2021. The significant decrease in year over year gold production was the result of a 32% decrease in the grade profile of mill throughput, the result of processing a high proportion of low-grade Pine Cove ore stockpiles. Notwithstanding the low-grade throughput, the mill was able to achieve an average recovery rate of 86.5% during 2021, a decrease of only 1.0% compared to 2020 despite the significantly lower grade delivered to the mill.

<sup>1</sup> Refer to Non-IFRS Measures Section below.

## ABOUT ANACONDA

Anaconda Mining is a TSX and OTCQX-listed gold mining, development, and exploration company, focused in the top-tier Canadian mining jurisdictions of Newfoundland and Nova Scotia. The Company is advancing the Goldboro Gold Project in Nova Scotia, a significant growth project subject to a positive Feasibility Study with Mineral Reserves of 1.15 million ounces of gold (15.80 million tonnes at 2.26 g/t gold), Measured and Indicated Mineral Resources inclusive of Mineral Reserves of 2.58 million ounces (21.6 million tonnes at 3.72 g/t gold) and additional Inferred Mineral Resources of 0.48 million ounces (3.18 million tonnes at 4.73 g/t gold) (Please see Press Release dated December 16, 2021 at [www.anacondamining.com](http://www.anacondamining.com)). Anaconda also 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 ~15,000 hectares of highly prospective mineral property, including those adjacent to the past producing, high-grade Nugget Pond Mine at its Tilt Cove Gold Project.

Kevin Bullock, P. Eng., President and Chief Executive Officer of [Anaconda Mining Inc.](http://Anaconda Mining Inc.) is a "qualified person" as such term is defined under National Instrument 43-101 - Standards of Disclosure for Mineral Projects and has reviewed and approved the scientific and technical information and data included in this press release.

## 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.

Average realized gold price per ounce sold is reconciled to the preliminary, unaudited consolidated statement of comprehensive income as follows:

	Three months ended December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2021	Year Dec
Gold revenue (\$)	7,569,085	9,935,158	27,627,604	41,4
Gold ounces sold	3,368	3,970	12,218	17,9
Average realized gold price per ounce sold (\$)	2,247	2,503	2,261	2,31
Average US Dollar exchange rate during period	0.7936	0.7676	0.7980	0.74
Average realized gold price per ounce sold (US\$)	1,783	1,921	1,804	1,72

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

Working capital is reconciled to the preliminary, unaudited consolidated statement of financial position as follows:

	December 31, 2021	December 31, 2020
Current assets	17,841,194	22,964,876
Current liabilities	16,416,109	9,026,405
Working capital	1,425,085	13,938,471

**Operating Cash Costs per Ounce of Gold** - Anaconda calculates operating cash costs per ounce by dividing operating expenses per the consolidated statement of operations, net of silver sales by-product revenue, by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, however, excludes depletion and depreciation and rehabilitation costs.

**All-In Sustaining Costs per Ounce of Gold** - Anaconda has adopted an all-in sustaining cost performance measure that reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), corporate administration costs, sustaining exploration, and rehabilitation accretion and amortization related to current operations. All-in

sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, financing costs, debt repayments, and taxes. Canadian and US dollars are noted for realized gold price, operating cash costs per ounce of gold and all-in sustaining costs per ounce of gold. Both currencies are considered relevant and the Company uses the average foreign exchange rate for the period.

For further details and a reconciliation of operating cash costs per ounce of gold and all-in sustaining costs per ounce of gold, please refer to the section "Non-IFRS Measures" in the Company's Management's Discussion and Analysis for the three and nine months periods ended September 30, 2021 and September 30, 2020, (the "Interim MD&A"), which is incorporated by reference herein and available on SEDAR at [www.sedar.com](http://www.sedar.com).

## 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, 2020, available on [www.sedar.com](http://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.

## FOR ADDITIONAL INFORMATION CONTACT:

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