

Entrée Resources Ltd. Announces First Quarter 2024 Results

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VANCOUVER, May 8, 2024 - [Entrée Resources Ltd.](#) (TSX: ETG) (OTCQB: ERLFF) - the "Company" or "Entrée") has today filed its interim financial results for the first quarter ended March 31, 2024. All numbers are in U.S. dollars unless otherwise noted.

Q1 2024 HIGHLIGHTS

Oyu Tolgoi Underground Development Update

The Oyu Tolgoi project in Mongolia includes two separate land holdings: the Oyu Tolgoi mining licence, which is held by Oyu Tolgoi LLC ("OTLLC") and the Entrée/Oyu Tolgoi JV Property, which is a joint venture partnership between Entrée and OTLLC. Rio Tinto owns 66% of OTLLC and is the manager of operations at Oyu Tolgoi.

- On April 17, 2024, Rio Tinto announced ramp up of the Oyu Tolgoi Lift 1 underground mine continues in line with its long-term plan. Oyu Tolgoi is set to become the world's fourth largest copper mine by 2030 with the operation expected to deliver average mined copper production of ~500 thousand tonnes per annum between 2028 and 2036.
- OTLLC continues to see strong performance from the Lift 1 underground mine, with a total of 99 Lift 1 draw bells opened from Panel 0 on the Oyu Tolgoi mining licence, including 13 draw bells during the quarter ended March 31, 2024. In the first quarter 2024, OTLLC delivered 1.3 million tonnes of ore milled from Panel 0 on the Oyu Tolgoi mining licence at an average copper head grade of 1.67%.
- Shaft sinking continued during the first quarter 2024. At the end of March, Shafts 3 and 4 reached 1,076 metres and 1,150 metres below ground level, respectively. Final depths required for Shafts 3 and 4 are 1,130 metres and 1,176 metres below ground level, respectively. Shaft 4 breakthrough (sinking completion) was achieved in early April. Rio Tinto continues to expect both shafts to be commissioned in the second half 2024.
- As at March 31, 2024, construction of the conveyor to surface works was 94% complete. Commissioning remains on track for the second half 2024.
- Construction works for the concentrator conversion remain on schedule. Commissioning is expected to be progressively completed from the fourth quarter 2024 through to the second quarter 2025.
- Construction of primary crusher 2 commenced in December 2023 and is due to be completed by the end of 2025.
- OTLLC's 2023 Oyu Tolgoi Feasibility Study ("OTFS23") for the Lift 1 underground mine has been submitted to and is under review by applicable regulatory bodies in Mongolia. The Lift 1 underground mine incorporates the development of three panels (Panels 0, 1, and 2). The Hugo North Extension ("HNE") deposit on the Entrée/Oyu Tolgoi JV Property is located at the northern portion of Panel 1.
- Drilling programs to support a Lift 2 Pre-Feasibility Study are in progress. Mineralization from Lift 2 will be included in an updated resource model for Hugo North (including Hugo North Extension).

Entrée/Oyu Tolgoi JV Property

- First Lift 1 Panel 1 development work on the Shivee Tolgoi mining licence is expected to commence in the fourth quarter 2024. Development work will start in the southwest corner of the HNE deposit and will establish the initial Panel 1 western ore handling truck chute, including extraction level tippel development, the truck chute chamber on the haulage level, and the supporting ventilation loop with the return air level. OTLLC has advised the Company all 2024 development will be in rock classified as waste, which will be stockpiled separately and sampled in accordance with OTLLC's standard sampling protocols and procedures.

- Underground and surface in-fill diamond drilling at the Hugo North Extension deposit on the Shivee Tolgoi mining licence is in progress. Approximately 14,128 metres of underground drilling in 25 holes and 6,840 metres of surface drilling in 4 holes is planned for 2024. To date, approximately 4,475 metres of underground drilling in 13 holes and approximately 1,012 metres of surface drilling in 1 hole has been completed. The principal purpose for the drilling is to support the Lift 2 Pre-Feasibility Study and updated resource model for Hugo North (including Hugo North Extension).
- OTLLC is also proposing approximately 8,785 metres of diamond drilling in 5 surface holes on the Heruga deposit (Javhlant mining licence) in 2024 to increase ore body knowledge and support an Order of Magnitude Study. No drilling has been conducted on the Heruga deposit since 2008.
- The 2024 exploration program planned for the Shivee Tolgoi mining licence will focus on the Airstrip, Ulaan Khud South and Ridge targets, including approximately 2,500 metres of diamond drilling in 2 inclined holes (one at Ulaan Khud South (~1,300 metres) and the other at the Ridge target (~1,200 metres), located midway between Ulaan Khud and Hugo North Extension) and geological and geophysical studies. On the Javhlant mining licence, work will be conducted on the Bumbat Ulaan target and the Heruga Trend (Heruga South and Heruga West targets). One diamond drill hole is planned for each of the Heruga South (~1,300 metres) and Heruga West (~600 metres) targets as well as geological and geophysical studies. At Bumbat Ulaan, approximately 1,200 metres of scout reverse circulation drilling in 4 holes is planned.

Corporate

- For the Q1 2024 period, the Company's operating loss was \$1.1 million compared to \$0.9 million in Q1 2023. The increase was mainly due to legal costs for both commercial negotiations with OTLLC and Rio Tinto and the arbitration proceedings.
- For the Q1 2024 period, the operating cash outflow before changes in non-cash working capital items was \$1.0 million compared to \$0.7 million in Q1 2023.
- As at March 31, 2024, the cash balance was \$5.1 million and the working capital balance was \$4.9 million.

OUTLOOK AND STRATEGY

Entrée's primary objective is to confirm the transfer of the Shivee Tolgoi and Javhlant mining licences from the Company's Mongolian subsidiary to OTLLC as contemplated by the joint venture agreement between the Company and OTLLC (the "Entrée/Oyu Tolgoi JVA"), either in conjunction with finalization, execution, and closing of an agreement with OTLLC to restructure or amend the existing Entrée/Oyu Tolgoi JVA to streamline the operating environment for both parties, or enforcement of certain provisions of the 2004 Equity Participation and Earn-in Agreement and Entrée/Oyu Tolgoi JVA pursuant to binding arbitration proceedings commenced by the Company in 2022. The Company currently is registered in Mongolia as the 100% ultimate holder of the licences.

The commencement of arbitration proceedings followed protracted discussions with Rio Tinto and OTLLC to confirm the transfer of the Shivee Tolgoi and Javhlant mining licences to OTLLC. The arbitration was commenced in Vancouver, British Columbia under the International Commercial Arbitration Act (British Columbia). A three-member Tribunal has been appointed and the first arbitration hearing took place in Vancouver on April 8 and 9, 2024.

Notwithstanding the ongoing arbitration proceedings, the Company remains committed to achieving a commercial resolution with Rio Tinto and OTLLC. Any definitive agreement reached between the Company and OTLLC to restructure or amend the existing Entrée/Oyu Tolgoi JVA would be subject to Toronto Stock Exchange acceptance and the requirements of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions applicable to a related party transaction. There are no assurances that a definitive agreement will be finalized and executed, or if finalized and executed, that the transaction would close.

The Company has also been in discussions with Erdenes Oyu Tolgoi LLC (the State-owned company that holds the Government's 34% interest in OTLLC) regarding the potential for the Government of Mongolia and Erdenes Oyu Tolgoi LLC to conclude an agreement with the Company for the State to share in 34% of the economic benefit of the Company's interest in the Entrée/Oyu Tolgoi JV Property. The Minerals Law of Mongolia provides the State may share in up to 34% of the economic benefit derived from exploitation of a mineral deposit of strategic importance where proven reserves were determined through funding sources other than the State budget. The Hugo North Extension copper-gold deposit on the Shivee Tolgoi mining

licence and the Heruga copper-gold-molybdenum deposit on the Javhlant mining licence are mineral deposits of strategic importance.

The Company's interim financial statements and Management's Discussion and Analysis ("MD&A") for the first quarter ended March 31, 2024 are available on the Company's website at www.EntreeResourcesLtd.com, on SEDAR+ at www.sedarplus.ca, and on OTC Markets at www.otcm Markets.com.

QUALIFIED PERSON

Robert Cinits, P.Geo., consultant to Entrée and the Company's former Vice President, Corporate Development, and a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects, has approved the technical information in this release. For further information on the Entrée/Oyu Tolgoi JV Property, see the Company's Technical Report, titled "Entrée/Oyu Tolgoi Joint Venture Project, Mongolia, NI 43-101 Technical Report", with an effective date of October 8, 2021, available on the Company's website at www.EntreeResourcesLtd.com, and on SEDAR+ at www.sedarplus.ca.

ABOUT ENTRÉE RESOURCES LTD.

[Entrée Resources Ltd.](http://www.EntreeResourcesLtd.com) is a well-funded Canadian mining company with a unique carried joint venture interest on a significant portion of one of the world's largest copper-gold projects - the Oyu Tolgoi project in Mongolia. Entrée has a 20% or 30% carried participating interest in the Entrée/Oyu Tolgoi joint venture, depending on the depth of mineralization. Horizon Copper Corp. and Rio Tinto are major shareholders of Entrée, beneficially holding approximately 24% and 16% of the shares of the Company, respectively. More information about Entrée can be found at www.EntreeResourcesLtd.com.

This News Release contains forward-looking information within the meaning of applicable Canadian securities laws with respect to corporate strategies and plans; requirements for additional capital; uses of funds and projected expenditures; arbitration proceedings, including the potential benefits, timing and outcome of arbitration proceedings; the Company's plans to continue discussions with OTLLC and Rio Tinto regarding a potential restructuring or amendment of the Entrée/Oyu Tolgoi JVA; the Company's plans to continue discussions with Erdenes Oyu Tolgoi LLC regarding the potential for the Government of Mongolia and Erdenes Oyu Tolgoi LLC to conclude an agreement with the Company for the State to share in 34% of the economic benefit of the Company's interest in the Entrée/Oyu Tolgoi JV Property; the Company's ability to transfer the Shivee Tolgoi and Javhlant mining licences to OTLLC either in conjunction with finalization and execution of a restructured or amended agreement with OTLLC, or enforcement of certain provisions of the Earn-in Agreement and Entrée/Oyu Tolgoi JVA pursuant to binding arbitration proceedings; the potential for Entrée to be included in or otherwise receive the benefits of the Oyu Tolgoi Investment Agreement; timing and status of Oyu Tolgoi underground development; the expected timing of first development work on the Shivee Tolgoi mining licence and first production from Lift 1 Panel 1; the nature of the ongoing relationship and interaction between OTLLC and Rio Tinto and the Government of Mongolia and Erdenes Oyu Tolgoi LLC with respect to the continued operation and development of Oyu Tolgoi; the technical studies for Lift 1 Panels 1 and 2, OTFS23, the Lift 2 Pre-Feasibility Study, the Heruga Order of Magnitude Study, and the updated resource model for Hugo North (including Hugo North Extension) Lifts 1 and 2 and the possible outcomes, content and timing thereof; the timing and progress of the sinking of Shafts 3 and 4; timing and amount of production from Lifts 1 and 2 of the Entrée/Oyu Tolgoi JV Property, potential production delays and the impact of any delays on the Company's cash flows, expected copper, gold and silver grades, liquidity, funding requirements and planning; future commodity prices; the estimation of mineral reserves and resources; projected mining and process recovery rates; estimates of capital and operating costs, mill and concentrator throughput, cash flows and mine life; capital, financing and project development risk; mining dilution; discussions with the Government of Mongolia, Erdenes Oyu Tolgoi LLC, Rio Tinto, and OTLLC on a range of issues including Entrée's interest in the Entrée/Oyu Tolgoi JV Property, the Shivee Tolgoi and Javhlant mining licences and certain material agreements; potential actions by the Government of Mongolia with respect to the Shivee Tolgoi and Javhlant mining licences and Entrée's interest in the Entrée/Oyu Tolgoi JV Property; potential size of a mineralized zone; potential expansion of mineralization; potential discovery of new mineralized zones; potential metallurgical recoveries and grades; plans for future exploration and/or development programs and budgets; permitting time lines; anticipated business activities; proposed acquisitions and dispositions of assets; and future financial performance.

In certain cases, forward-looking information can be identified by words such as "plans", "expects" or "does

not expect", "is expected", "budgeted", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved". While the Company has based this forward-looking information on its expectations about future events as at the date that such information was prepared, the information is not a guarantee of Entrée's future performance and is based on numerous assumptions regarding present and future business strategies; the correct interpretation of agreements, laws and regulations; the commencement and conclusion of arbitration proceedings, including the potential benefits, timing and outcome of arbitration proceedings; the potential benefits, timing and outcome of discussions with Erdenes Oyu Tolgoi LLC, OTLLC, and Rio Tinto; the future ownership of the Shivee Tolgoi and Javhlant mining licences; that the Company will continue to have timely access to detailed technical, financial, and operational information about the Entrée/Oyu Tolgoi JV Property, the Oyu Tolgoi project, and government relations to enable the Company to properly assess, act on, and disclose material risks and opportunities as they arise; local and global economic conditions and the environment in which Entrée will operate in the future, including commodity prices, projected grades, projected dilution, anticipated capital and operating costs, including inflationary pressures thereon resulting in cost escalation, and anticipated future production and cash flows; the anticipated location of certain infrastructure and sequence of mining within and across panel boundaries; the construction and continued development of the Oyu Tolgoi underground mine; the status of Entrée's relationship and interaction with the Government of Mongolia, Erdenes Oyu Tolgoi LLC, OTLLC, and Rio Tinto; and the Company's ability to operate sustainably, its community relations, and its social licence to operate.

With respect to the construction and continued development of the Oyu Tolgoi underground mine, important risks, uncertainties and factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking information include, amongst others, the current economic climate and the significant volatility, uncertainty and disruption arising in connection with the Ukraine conflict; the nature of the ongoing relationship and interaction between OTLLC, Rio Tinto, Erdenes Oyu Tolgoi LLC and the Government of Mongolia with respect to the continued operation and development of Oyu Tolgoi along with the implementation of Resolution 103; the continuation of undercutting in accordance with the mine plans and designs in OTFS23; applicable taxes and royalty rates; the amount of any future funding gap to complete the Oyu Tolgoi project and the availability and amount of potential sources of additional funding; the timing and cost of the construction and expansion of mining and processing facilities; inflationary pressures on prices for critical supplies for Oyu Tolgoi resulting in cost escalation; the ability of OTLLC or the Government of Mongolia to deliver a domestic power source for Oyu Tolgoi (or the availability of financing for OTLLC or the Government of Mongolia to construct such a source) within the required contractual timeframe; sources of interim power; OTLLC's ability to operate sustainably, its community relations, and its social licence to operate in Mongolia; the impact of changes in, changes in interpretation to or changes in enforcement of, laws, regulations and government practises in Mongolia; delays, and the costs which would result from delays, in the development of the underground mine; the anticipated location of certain infrastructure and sequence of mining within and across panel boundaries; projected commodity prices and their market demand; and production estimates and the anticipated yearly production of copper, gold and silver at the Oyu Tolgoi underground mine.

Other risks, uncertainties and factors which could cause actual results, performance or achievements of Entrée to differ materially from future results, performance or achievements expressed or implied by forward-looking information include, amongst others, unanticipated costs, expenses or liabilities; discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries; development plans for processing resources; matters relating to proposed exploration or expansion; mining operational and development risks, including geotechnical risks and ground conditions; regulatory restrictions (including environmental regulatory restrictions and liability); risks related to international operations, including legal and political risk in Mongolia; risks related to the potential impact of global or national health concerns; risks associated with changes in the attitudes of governments to foreign investment; risks associated with the conduct of joint ventures, including the ability to access detailed technical, financial and operational information; risks related to the Company's significant shareholders, and whether they will exercise their rights or act in a manner that is consistent with the best interests of the Company and its other shareholders; inability to upgrade Inferred mineral resources to Indicated or Measured mineral resources; inability to convert mineral resources to mineral reserves; conclusions of economic evaluations; fluctuations in commodity prices and demand; changing foreign exchange rates; the speculative nature of mineral exploration; the global economic climate; dilution; share price volatility; activities, actions or assessments by Rio Tinto or OTLLC and by government stakeholders or authorities including Erdenes Oyu Tolgoi LLC and the Government of Mongolia; the availability of funding on reasonable terms; the impact of changes in interpretation to or changes in enforcement of laws, regulations and government practices, including laws, regulations and government practices with respect to mining, foreign investment, royalties and taxation; the terms and timing of obtaining necessary environmental and other government approvals, consents and permits; the availability and cost of necessary items such as water,

skilled labour, transportation and appropriate smelting and refining arrangements; unanticipated reclamation expenses; changes to assumptions as to the availability of electrical power, and the power rates used in operating cost estimates and financial analyses; changes to assumptions as to salvage values; ability to maintain the social licence to operate; accidents, labour disputes and other risks of the mining industry; global climate change; global conflicts; natural disasters; the impacts of civil unrest; the impacts of the Ukraine conflict; breaches of the Company's policies, standards and procedures, laws or regulations; trade tensions between the world's major economies; increasing societal and investor expectations, in particular with regard to environmental, social and governance considerations; the impacts of technological advancements; title disputes; limitations on insurance coverage; competition; loss of key employees; cyber security incidents; misjudgements in the course of preparing forward-looking information; and those factors discussed in the Company's most recently filed MD&A and in the Company's Annual Information Form for the financial year ended December 31, 2023, dated March 8, 2024 filed with the Canadian Securities Administrators and available at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking 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. The Company is under no obligation to update or alter any forward-looking information except as required under applicable securities laws.

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