

Orezone Reports Second Quarter 2024 Results

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VANCOUVER, Aug. 06, 2024 - [Orezone Gold Corp.](#) (TSX: ORE, OTCQX: ORZCF) ("Orezone" or "Company") reported its operational and financial results for the three and six months ended June 30, 2024. The Company will host a conference call and webcast on August 7, 2024 commencing at 8:00am PT to discuss its Q2-2024 results. Additional details are provided at the end of this press release.

Patrick Downey, President and CEO, commented "Second quarter results were impacted by lower-than-expected grid power availability, and by lower scheduled head grades per the 2024 mine plan. Operating and financial results are anticipated to be significantly stronger in the second half of 2024 as mining ramps up in our newest mining areas, Siga East and Siga South, which will provide a steady source of higher-grade, soft oxide ore to the mill. This outlook is further underscored by a resumption in grid power availability to historical levels, which for the month of July exceeded 95%.

While the temporary reduction in grid power availability in H1-2024 presented a challenge, our operating team proved its resiliency, further optimizing and increasing plant throughput, which culminated in a record 525,000 tonnes processed in the month of June. This performance has continued into the third quarter, and positions the Company well to achieve its 2024 guidance.

After the quarter end, the Company announced a \$105M financing package and positive construction decision for the Bomboré Phase II hard rock expansion, in addition to a multi-year discovery focused drill campaign. The Company looks forward to providing further announcements on these strategic initiatives in upcoming months."

2024 SECOND QUARTER HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS

(All mine site figures on a 100% basis)		Q2-2024	Q2-2023	H1-2024	H1-2023
Operating Performance					
Gold production	oz	25,524	35,482	55,663	76,783
Gold sales	oz	24,937	33,608	56,166	76,747
Average realized gold price	\$/oz	2,334	1,970	2,185	1,926
Cash costs per gold ounce sold ¹	\$/oz	1,386	924	1,242	854
All-in sustaining costs ¹ ("AISC") per gold ounce sold	\$/oz	1,613	1,109	1,452	1,006
Financial Performance					
Revenue	\$000s	58,343	66,396	123,028	148,100
Earnings from mine operations	\$000s	23,167	27,490	50,049	67,160
Net income attributable to shareholders of Orezone ¹	\$000s	8,939	11,380	20,636	33,940
Net income per common share attributable to shareholders of Orezone¹					
Basic	\$	0.02	0.03	0.06	0.10
Diluted	\$	0.02	0.03	0.05	0.09
Adjusted EBITDA ¹	\$000s	20,491	31,526	46,419	74,171
Adjusted earnings attributable to shareholders of Orezone ¹	\$000s	3,326	11,236	11,062	35,810
Adjusted earnings per share attributable to shareholders of Orezone ¹	\$	0.01	0.03	0.03	0.10
Cash and Cash Flow Data					
Operating cash flow before changes in working capital	\$000s	15,331	25,228	35,688	66,365
Operating cash flow	\$000s (51)	20,155	13,586	59,081	59,081
Free cash flow ¹	\$000s (16,951)	8,016	(14,938)	39,514	39,514
Cash, end of period	\$000s	11,446	32,309	11,446	32,309

¹ Cash costs, AISC, Adjusted EBITDA, Adjusted earnings, Adjusted earnings per share, and Free cash flow

are non-IFRS measures. See "Non-IFRS Measures" section below for additional information.

- Safety: Continued strong safety performance with 1.32 million and 2.73 million hours worked without a lost-time injury for Q2-2024 and H1-2024, respectively.
- Grid Power: Gold production, plant throughput, and AISC in Q2-2024 were negatively affected by lower-than-normal availability of the national grid. The Bomboré mine successfully connected to the grid at the end of January 2024 and expected to operate on grid power at its historical availability of over 90%. However, Burkina Faso receives power from neighbouring Côte d'Ivoire and Ghana which began to temporarily reduce power exports in March 2024 due in part to conduct repairs to power generation plants. As a result, grid utilization at the Bomboré mine averaged 34% in Q2-2024 with grid blackouts and power dips contributing to 176 hours (8%) of plant downtime. During the quarter, power costs using on-site diesel generators averaged approximately \$0.59/kwh whereas grid power cost approximately \$0.22/kwh, and this higher power cost impacted AISC for Q2-2024 by an estimated \$110 per ounce. Encouragingly, grid availability for July 2024 has significantly improved with utilization in excess of 95% which will help increase gold production and lower operating costs in H2-2024.
- Rescoped Phase II Hard Rock Expansion: On May 6, 2024, the Company announced a rescoping of its Phase II expansion into two stages to better align capital requirements with available financing. The Company will now construct a 2.5 million tonnes per annum ("Mtpa") hard rock plant for stage one in comparison to the larger 4.4 Mtpa hard rock plant outlined in the 2023 feasibility study.
- Phase II Expansion Construction Decision and Financing: On July 10, 2024, the Company announced that its Board of Directors had approved a positive construction decision on the Phase II expansion after the Company had secured binding commitments totaling over \$105 million in additional debt and equity for the construction. The commitments consisted of binding term sheets for a XOF 35.0 billion (~\$58 million) senior secured term loan with Coris Bank International ("Coris Bank") and a C\$64.9 million (~\$47 million) non-brokered private placement of 92,743,855 common shares of Orezone at C\$0.70 per share with Nioko Resources Corporation. The Company expects to close on both the loan and private placement in Q3-2024.
- Multi-year Exploration Campaign: On July 25, 2024, the Company announced it will initiate a 30,000 metre, multi-year discovery focused drill program designed to test the broader size and scale of the Bomboré mineralized system which has a shallow average drill depth for resource definition of only 200 metres across a 14 km strike length. An initial drill program of 5,000 metres centred on the Maga Zone will commence in August 2024.
- Debt Reduction: Scheduled principal repayment of XOF 6.0 billion (\$9.9 million) made in H1-2024 on the Company's Phase I senior loan with Coris Bank. Outstanding principal on the Phase I senior debt stood at XOF 31.0 billion (~\$51 million) on June 30, 2024.
- Liquidity: Cash stood at \$11.4 million on June 30, 2024, a decrease of \$4.2 million from March 31, 2024 and a decrease of \$20.9 million from December 31, 2023. On May 10, 2024, the Company closed and drew down on a XOF 12.0 billion (\$19.8 million) bridge loan with Coris Bank in order to improve the Company's cash position which was heavily impacted in H1-2024 by a \$22.1 million increase in non-cash working capital, mainly from the build-up of value-added tax ("VAT") receivables, payment of income taxes, and reduction in trade payables.
- Board Changes: At the June 7, 2024 annual general meeting of shareholders ("AGM"), Ms. Tara Hassan was elected as a new director and Mr. Sean Harvey was appointed by the directors as the new Board Chair following the meeting. Mr. Halvorson, a director since 2009 and Board Chair since 2018, and Mr. Charles Oliver, a director since 2017, two long-serving directors that have made substantial contributions to the Company's success, did not stand for re-election at the AGM.

The Phase II Hard Rock Expansion

A hard rock plant, to complement the existing Phase I oxide plant, is required to process the fresh rock and lower transition mineral reserves of the Bomboré orebody.

Prior to a formal construction decision on the Phase II expansion, the Company undertook early works activities in order to maintain schedule to deliver first gold before the end of 2025. Approved early works in progress or completed in H1-2024 included front-end engineering and design ("FEED") with Lycopodium Minerals Canada Ltd. ("Lycopodium"), additional camp accommodations and offices, geotechnical investigations, and bulk earthworks on the new plant layout area.

Following the Board's positive construction decision to proceed with the expansion in early July 2024, the Company has released awards on four long-lead equipment packages including a 9MW SAG mill.

The capital cost estimate for this expansion is estimated at \$85 million.

2024 Guidance for Bomboré Mine

Operating Guidance (100% basis)	Unit	2024 Guidance	H1-2024 Actuals
Gold production	Au oz	110,000 - 125,000	55,663
All-In Sustaining Costs ¹²³	\$/oz Au sold	\$1,300 - \$1,375	\$1,452
Sustaining capital ²	\$M	\$14 - \$15	\$7.3
Growth capital (excluding Phase II Expansion) ²	\$M	\$16 - \$17	\$9.4
Growth capital - Phase II Expansion	\$M	see commentary below	Unchanged

1. AISC is a non-IFRS measure. See "Non-IFRS Measures" section below for additional information.
2. Foreign exchange rates used to forecast cost metrics include XOF/USD of 600 and CAD/USD of 1.30.
3. Government royalties included in AISC assumes an average gold price of \$2,000 per oz.

Gold production in 2024 is forecasted to range between 110,000 to 125,000 gold ounces with production more weighted to the second half of the year due to mining in the higher grade southern zone of the mining permit. Mining was confined to the northern zone of the mining permit in the first half of the year with staged access to higher-grade southern pits (Siga East and Siga South) planned in the second half as Phases II and III of the resettlement action plan ("RAP") progress. Mining in the Siga East pit commenced in June 2024 and will continue to ramp up through Q3-2024. Haul roads to Siga South are in place and grade control drilling is being advanced in key areas with mining scheduled in Q4-2024.

AISC per ounce sold for 2024 is estimated to fall within the range of \$1,300/oz to \$1,375/oz. AISC per ounce sold in H2-2024 is forecasted to be materially lower than H1-2024 as mining advances south to Siga East and Siga South thereby accessing softer near surface oxide ore at higher grades resulting in better gold production and operating costs. In addition, grid availability is expected to now continue at normal high levels in H2-2024 (as evidenced by grid availability in excess of 95% in July 2024) resulting in higher mill throughput and lower power costs.

BOMBORÉ GOLD MINE (100% BASIS) - OPERATING HIGHLIGHTS

		Q2-2024	Q2-2023	H1-2024	H1-2023
Safety					
Lost-time injuries frequency rate	per 1M hours	0.00	0.00	0.00	0.00
Personnel-hours worked	000s hours	1,322	1,037	2,372	1,965
Mining Physicals					
Ore tonnes mined	tonnes	1,966,547	1,927,753	4,369,080	4,132,809
Waste tonnes mined	tonnes	3,451,757	3,152,264	6,574,856	5,534,399
Total tonnes mined	tonnes	5,418,305	5,080,017	10,943,936	9,667,208
Strip ratio	waste:ore	1.76	1.64	1.50	1.34
Processing Physicals					
Ore tonnes milled	tonnes	1,428,396	1,400,160	2,784,015	2,845,853
Head grade milled	Au g/t	0.64	0.87	0.71	0.92
Recovery rate	%	86.8	91.1	88.0	91.7
Gold produced	Au oz	25,524	35,482	55,663	76,783
Unit Cash Cost					
Mining cost per tonne	\$/tonne	3.29	2.86	3.38	2.89
Mining cost per ore tonne processed	\$/tonne	8.87	6.46	8.46	6.49
Processing cost	\$/tonne	9.19	10.72	9.21	9.95
Site general and admin ("G&A") cost	\$/tonne	3.96	3.73	3.87	3.47
Cash cost per ore tonne processed	\$/tonne	22.02	20.91	21.54	19.91
Cash Costs and AISC Details					
Mining cost (net of stockpile movements)	\$000s	12,672	9,050	23,539	18,467
Processing cost	\$000s	13,120	15,006	25,640	28,328
Site G&A cost	\$000s	5,654	5,217	10,788	9,883

Refining and transport cost	\$000s	136	164	253	312
Government royalty cost	\$000s	4,595	3,930	9,727	8,842
Gold inventory movements	\$000s	(1,625) (2,299) (209) (280
Cash costs ¹ on a sales basis	\$000s	34,552	31,068	69,738	65,552
Sustaining capital	\$000s	3,281	4,308	7,299	7,838
Sustaining leases	\$000s	73	-	146	187
Corporate G&A cost	\$000s	2,319	1,883	4,388	3,614
All-In Sustaining Costs ¹ on a sales basis	\$000s	40,225	37,259	81,571	77,192
Gold sold	Au oz	24,937	33,608	56,166	76,747
Cash costs per gold ounce sold ¹	\$/oz	1,386	924	1,242	854
All-In Sustaining Costs per gold ounce sold ¹	\$/oz	1,613	1,109	1,452	1,006

¹ Non-IFRS measure. See "Non-IFRS Measures" section for additional details.

Bomboré Production Results

Q2-2024 vs Q2-2023

Gold production in Q2-2024 was 25,524 ounces, a decline of 28% from the 35,482 ounces produced in Q2-2023. The lower gold production is attributable to a 26% decrease in head grades and a 5% decrease in plant recoveries, partially offset by a 2% increase in plant throughput. The better head grades achieved in Q2-2023 were primarily the result of processing high-grade stockpiles accumulated during the Phase I construction, which were fully depleted by June 2023, and from the sequencing of higher-grade pits in earlier periods of the mine plan. Plant recoveries were lower in Q2-2024 primarily due to the greater blend of transition ore in the mill feed as mining deepens in certain pits. The presence of transition ore results in slightly lower metallurgical recoveries and additional plant maintenance due to the harder nature of the ore. In addition, instability in operational controls from grid power interruptions unrelated to Bomboré operations contributed to a marginal dip in recoveries in Q2-2024.

Plant downtime caused by grid blackouts and power dips, and time lost to switch to back-up gensets, also negatively impacted plant operations in Q2-2024. In response, the Company successfully improved hourly plant throughput by increasing mill power draw and reducing residence time in the CIL circuit without a noticeable effect on recovery rates, leading to a monthly record of 525K tonnes processed in June 2024.

Plant throughput, head grades, and recoveries are expected to improve from a greater blend of softer oxide ore as mining continues to ramp up at Siga East in Q3-2024. Furthermore, reliability of the national grid has significantly increased since the start of July 2024.

H1-2024 vs H1-2023

Gold production in H1-2024 was 55,663 ounces, a decline of 28% from the 76,783 ounces produced in H1-2023. The lower gold production is attributable to a 23% decrease in head grades, a 4% decrease in plant recoveries, and a 2% decrease in plant throughput namely for the same reasons as explained in the above section.

Bomboré Operating Costs

Q2-2024 vs Q2-2023

AISC per gold ounce sold in Q2-2024 was \$1,613, a 45% increase from \$1,109 per ounce sold in Q2-2023. The higher AISC is primarily the result of: (a) lower Q2-2024 gold production and sales as explained above; (b) greater per ounce royalty costs from new royalty rates that took effect in October 2023, coupled with a higher realized selling price; and (c) increased mining costs with deeper pits, harder transition ore being mined and higher strip ratio per tonne processed.

Cash cost per ore tonne processed in Q2-2024 was \$22.02 per tonne, an increase of 5% from \$20.91 per tonne in Q2-2023. The higher cash cost in Q2-2024 was predominantly due to greater mining and site G&A costs with costs per ore tonne processed increasing by 37% (\$8.87 versus \$6.46) for mining and 5% (\$3.96 versus \$3.73) for site G&A. Mining costs have increased as lower benches are mined resulting in longer hauls and more transition material that requires drill-and-blast prior to excavation and greater rehandle prior to feeding into the dump pocket on the ROM pad. In addition, unit mining costs have increased from a higher strip ratio and more management fees from the mobilization of a second mining contractor in July 2023 to supplement material movement of the main mining contractor. Site G&A costs reflect greater spending for security as the Company expands its operations into the southern portion of the mining permit.

Processing costs per ore tonne in Q2-2024 was \$9.19 per tonne, a decrease of 14% from \$10.72 per tonne in Q2-2023. Unit processing costs were expected to decline by over \$3 per tonne in Q2-2024 from 2023 levels upon the introduction of grid power to the Bomboré mine at the end of January 2024; however, the power cost savings from using grid power have been offset by a greater blend of transition ore requiring higher per tonne consumption of power, grinding media, and main reagents, and more plant maintenance to address higher equipment wear. Furthermore, the mine relied on more self-generated power beginning in March 2024 from lower-than-expected grid availability directly impacted by issues with the Ghanaian and Côte d'Ivoire supply systems as explained above. Grid utilization was historically low in Q2-2024, but gradually improved throughout the quarter from 18% in April to 58% in June, and normalizing to over 95% starting in July.

H1-2024 vs H1-2023

AISC per gold ounce sold in H1-2024 was \$1,452, a 44% increase from \$1,006 per ounce sold in H1-2023. The higher AISC were due namely for the same reasons as explained in the above section.

Bomboré Growth Capital Projects

Grid Power Connection

The commissioning of the powerline to connect Bomboré to Burkina Faso's national energy grid commenced in January 2024 and was successfully energized by the end of the same month. As of June 30, 2024, the Company has incurred costs of \$19.7M, of which \$0.3M was incurred in Q2-2024 (\$1.4M in H1-2024). The Company continues to make minor upgrades to the grid connection by installing equipment and software to reduce the transfer time to back-up gensets.

RAP Phases II and III

RAP Phases II and III involve the construction of three new resettlement communities (MV3, MV2, and BV2) in order to relocate households currently residing within the southern half of the Bomboré mining permit. The Company sequenced MV3 first, followed by MV2 and BV2, to prioritize mining areas closest to the processing plant.

The construction of homes and relocation of families to the new MV3 resettlement community were successfully completed in Q2-2024, and in parallel, construction of MV2 commenced with site establishment activities and award of contracts to local companies. Compensation payments to affected residents for loss of land, crops, trees, and private structures continue to progress.

As of June 30, 2024, the Company has incurred project-to-date costs of \$18.6M for RAP Phases II and III, of which \$5.0M was incurred in Q2-2024 (\$8.1M in H1-2024).

NON-IFRS MEASURES

The Company has included certain terms or performance measures commonly used in the mining industry that is not defined under IFRS, including "cash costs", "AISC", "EBITDA", "adjusted EBITDA", "adjusted earnings", "adjusted earnings per share", and "free cash flow". Non-IFRS measures do not have any

standardized meaning prescribed under IFRS, and therefore, they may not be comparable to similar measures presented by other companies. The Company uses such measures to provide additional information and they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For a complete description of how the Company calculates such measures and reconciliation of certain measures to IFRS terms, refer to "Non-IFRS Measures" in the Management's Discussion and Analysis for the three and six months ended June 30, 2024 which is incorporated by reference herein.

CONFERENCE CALL AND WEBCAST

The condensed consolidated interim financial statements and Management's Discussion and Analysis are available at www.orezone.com and on the Company's profile on SEDAR+ at www.sedarplus.ca. Orezone will host a conference call and audio webcast to discuss 2024 second quarter results on August 7, 2024 at 8:00am PT (11:00am ET).

Webcast

Date: Wednesday, August 7, 2024

Time: 8:00 am Pacific time (11:00 am Eastern time)

Please register for the webcast here: [Orezone Q2-2024 Conference Call and Webcast](#)

Conference Call

Toll-free in U.S. and Canada: 1-800-715-9871

International callers: +646-307-1963

Event ID: 9401780

QUALIFIED PERSONS

The scientific and technical information in this news release was reviewed and approved by Mr. Rob Henderson, P. Eng, Vice-President of Technical Services and Mr. Dale Tweed, P. Eng., Vice-President of Engineering, both of whom are Qualified Persons as defined under NI 43-101 *Standards of Disclosure for Mineral Projects*.

About [Orezone Gold Corporation](#)

Orezone Gold Corporation (TSX: ORE OTCQX: ORZCF) is a West African gold producer engaged in mining, developing, and exploring its 90%-owned flagship Bomboré Gold Mine in Burkina Faso. The Bomboré mine achieved commercial production on its Phase I oxide operations on December 1, 2022, and is now focussed on its staged Phase II hard rock expansion that is expected to materially increase annual and life-of-mine gold production from the processing of hard rock mineral reserves. Orezone is led by an experienced team focused on social responsibility and sustainability with a proven track record in project construction and operations, financings, capital markets, and M&A.?

The technical report entitled Bomboré Phase II Expansion, Definitive Feasibility Study is available on SEDAR+ and the Company's website.

Patrick Downey
President and Chief Executive Officer

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Manager, Investor Relations

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The Toronto Stock Exchange neither approves nor disapproves the information contained in this news release.

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain information that constitutes "forward-looking information" within the meaning of applicable Canadian Securities laws and "forward-looking statements" within the meaning of applicable U.S. securities laws (together, "forward-looking statements"). Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "potential", "possible" and other similar words, or statements that certain events or conditions "may", "will", "could", or "should" occur.

All forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements including, but not limited to, terrorist or other violent attacks, the failure of parties to contracts to honour contractual commitments, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure, the possibility of project cost overruns or unanticipated costs and expenses, accidents and equipment breakdowns, political risk, unanticipated changes in key management personnel, the spread of diseases, epidemics and pandemics diseases, market or business conditions, the failure of exploration programs, including drilling programs, to deliver anticipated results and the failure of ongoing and uncertainties relating to the availability and costs of financing needed in the future, and other factors described in the Company's most recent annual information form and management's discussion and analysis filed on SEDAR+ on www.sedarplus.ca. Readers are cautioned not to place undue reliance on forward-looking statements.

Forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. These assumptions and factors include, but are not limited to, assumptions and factors related to the Company's ability to carry on current and future operations, including: development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company's ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the price and market for outputs, including gold; foreign exchange rates; taxation levels; the timely receipt of necessary approvals or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

Although the forward-looking statements contained in this press release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this press release.

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