

Lundin Gold Three Year Outlook Anticipates Sustained Free Cash Flow Generation And Continued Investment In Exploration

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2025 highlights include the benefits of increased throughput to 5,000 tpd and improved gold recoveries and an exploration program with 80,000 metres of drilling

VANCOUVER, Dec. 9, 2024 - [Lundin Gold Inc.](#) (TSX: LUG) (Nasdaq Stockholm: LUG) (OTCQX: LUGDF) ("Lundin Gold" or "Company") is pleased to announce its 2025 guidance and three-year outlook for its 100% owned Fruta del Norte ("FDN") mine in southeast Ecuador. All amounts are in U.S. dollars unless otherwise indicated. [View PDF](#)

2025 Guidance Highlights:

- Gold production is estimated between 475,000 to 525,000 ounces ("oz").
- Cash operating costs¹ and all-in sustaining costs¹ ("AISC") are expected to range between \$730 to \$790 and \$935 to \$995 per oz of gold sold², respectively.
- Total sustaining capital in 2025 is estimated at \$75 to \$85 million which includes 15,000 metres planned to be drilled for the resource conversion program.
- In light of exploration success, the Company's near-mine exploration program's footprint is being expanded to include additional land which was previously considered part of the regional program. 65,000 metres is planned to be drilled in 2025 (see Figure 1).
- The regional exploration program will broaden with a new three-year greenfield strategy over the Company's unexplored package of over 50,000 hectares. In its first year the focus will consist of surface exploration and airborne surveys to identify new targets for exploration drilling in 2026.
- Lundin Gold anticipates continuing to declare quarterly dividends of \$0.20 per share.

The Company's guidance for the year 2025 is provided in the table below.

	2025
Gold Production (oz)	475,000 - 525,000
Mill Throughput (tpd)	5,000
Head Grade (g/t Au)	9.2
Average Mill Recovery (%)	90 %
Sustaining Capital (\$ million)	75 - 85
Cash operating cost ¹ (\$/oz sold) ²	730 - 790
AISC ¹ (\$/oz sold) ²	935 - 995
Near-mine Exploration Program (\$ million) ³	32
Regional Exploration Program (\$ million)	8

¹ See Non-GAAP Financial Measures section.

² Gold/silver price per oz assumptions are \$2,500/\$31.00, respectively.

Ron Hochstein, President and CEO commented, "2025 will be another exciting year for Lundin Gold. The commissioning of the new mill and the expansion of the near-mine exploration program will drive growth and improve our cash flow generation. We are excited about the future of Lundin Gold and the potential of our Fruta del Norte mine."

plant expansion project is going well, which is expected to increase plant throughput to 5,000 tonnes per day and to improve mill recovery. With investments in the mine including the new dispatch system, and based on the new mill configuration, we have already identified opportunities to further debottleneck and increase average throughput starting in 2026 to 5,500 tonnes per day. By maximizing the potential of FDN through our operational excellence program to increase efficiencies and reduce costs, combined with a strong gold price environment, we are confident in our ability to continue to generate meaningful free cash flow. In parallel, we will continue our ambitious exploration program, building on the success of our 2024 program, which, to date, is the largest ever conducted on our extensive, highly prospective land package."

The Company's outlook for production, mill throughput, sustaining capital and AISC for the next three years is provided below.

	2025	2026	2027
Gold Production (oz)	475,000 - 525,000	475,000 - 525,000	475,000 - 525,000
Mill Throughput (tpd)	5,000	5,500	5,500
Sustaining Capital (\$ million)	75 - 85	75 - 90	70 - 85
Cash operating cost (\$/oz sold) ^{1, 2}	730 - 790	750 - 810	750 - 810
AISC (\$/oz sold) ^{1, 2}	935 - 995	950 - 1,020	925 - 995

2025 Guidance and 2025-2027 Outlook

Gold production at FDN for 2025 is estimated to be between 475,000 to 525,000 oz based on an average throughput rate of 5,000 tonnes per day ("tpd"). Head grade is estimated to average 9.2 g/t, with fluctuations expected during the year as different parts of the ore body are mined. Grades are slightly lower relative to 2024, as a result of continued extension of the mine life and adjustments to the mine sequence. Average mill recovery for the year is estimated at 90%.

Several opportunities have been identified to further debottleneck operations and increase average throughput to 5,500 tpd starting in 2026. Mine operations will benefit from increased mine equipment availability and utilization resulting from the new underground workshop and dispatch system. At the processing plant the debottlenecking opportunities can be implemented at minimal cost as they are optimizations to the new configuration of the process plant.

Cash operating costs¹ are estimated to range between \$730 and \$790 per oz of gold sold² in 2025. AISC¹ for 2025 is estimated to range between \$935 and \$995 per oz of gold sold² and to fluctuate quarterly based on sustaining capital activities. Unit costs are anticipated to be higher compared to 2024 and are primarily attributable to increased royalties and employee profit sharing from the increase in the assumed gold price from \$1,900/oz to \$2,500/oz, and an increase in sustaining capital expenditures.

Gold production and sales are expected to be backend weighted in 2025 as mill throughput is anticipated to increase as the plant expansion project is fully commissioned. Mill head grade is also expected to improve as the year progresses and mine sequencing. This translates to lower anticipated unit costs in the second half of the year relative to the first half.

¹ See Non-GAAP Financial Measures section.

² Gold/silver price per oz assumptions for the three years are \$2,500/\$31.00, respectively.

Total sustaining capital in 2025 is estimated at \$75 to \$85 million and includes costs related to the expansion of the tailings storage facility (fifth raise), improvements to industrial and potable water supply and distribution, the next phase of upgrades to water treatment plants, resource conversion drilling, mobile equipment rebuilds or replacement and underground development improvements of the South Portal. In addition, the estimate includes the remaining costs to commission four additional generators purchased in 2024 which will allow the FDN process plant to run slightly below capacity in the event of a power disruption from the national grid.

Sustaining capital in 2026 has increased from previous guidance due to the impact of increased mineral reserves and the need for additional equipment leading to adjustments to the maintenance and replacement schedule of the mobile equipment fleet, as well as a larger storage facility design. This increase in sustaining capital, combined with the increase in the assumed gold price¹, has

an increase in AISC² per oz sold in 2026 compared to previous guidance.

Consistent with previous years, the Company expects its free cash flow² during the second quarter of 2025 to be lower than the first quarter due to the payment of annual profit sharing to the government and employees along with remaining income tax. This variation is expected to be more pronounced in 2025 due to the Company's strong operating performance achieved in 2024 which has been further bolstered by high gold prices.

2025 Resource Conversion Program

Based on the results of the 2024 conversion drilling program, the Company intends to release updated estimates of Mineral Reserves and Resources for FDN early in 2025. A total of 15,000 metres of resource conversion drilling is anticipated in 2025.

2025 Exploration Programs

Lundin Gold's near-mine exploration program's footprint is being expanded to incorporate additional land which was previously considered part of the regional program (see Figure 1). As part of the near-mine program a total of 65,000 metres of drilling is planned from surface and underground using 12 rigs at an estimated cost of \$32 million. The program will focus on extending the mine life of FDN by exploring several advanced targets within and around the FDN system including but not limited to FDN East, FDN North and the Bonza Sur deposit.

The Company is currently drilling and evaluating the Bonza Sur deposit and anticipates publishing an initial resource by the end of 2025.

The regional exploration program will focus on the unexplored large package of mineral concessions located on a highly prospective environment which hosts the Fruta del Norte deposit (see Figure 1). This will be the first year of a new three-year greenfield strategy to identify new areas for exploration drilling. The 2025 program includes a geophysical magnetic survey, geochemical sampling program and is estimated to cost \$8 million.

¹ Gold/silver price per oz assumptions for the three years are \$2,500/\$31.00, respectively.

² See Non-GAAP Financial Measures section.

Figure 1: Map showing expanded near-mine exploration program and 1st year focus of new three year regional exploration program.

Dividend

Consistent with the Company's dividend policy, Lundin Gold anticipates continuing to pay quarterly dividends of \$0.20 per share, subject to the approval of the Board of Directors.

Non-GAAP Financial Measures

This news release refers to certain financial measures, such as cash operating costs, AISC, and free cash flow, which are non-IFRS measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. All non-IFRS measures have been calculated on a basis consistent with historical periods. Please refer to the Company's MD&A filed on SEDAR+ under the Company's profile at www.sedarplus.ca, pages 14 to 18, for the third quarter of 2024 for an explanation of the non-IFRS measures used.

Qualified Persons

The technical information relating to FDN contained in this News Release has been reviewed and approved by Terry Smith, Lundin Gold's COO, who is a Qualified Person in accordance with the requirements of NI 43-101. The disclosure of exploration information contained in this press release was prepared by Andre Oliveira, P. Geo, Lundin Gold's V.P. Exploration, who is a Qualified Person.

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About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, owns the Fruta del Norte gold mine in southeast Ecuador. Fruta del Norte is among the highest-grade operating gold mines in the world.

The Company's board and management team have extensive expertise in mine operations and are dedicated to operating Fruta del Norte responsibly. The Company operates with transparency and in accordance with international best practices. Lundin Gold is committed to delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace and minimizing the environmental impact. The Company believes that the value created through the development of Fruta del Norte will benefit its shareholders, the Government and the citizens of Ecuador.

Additional Information

The information in this release is subject to the disclosure requirements of Lundin Gold under the EU Market Abuse Regulation. This information was publicly communicated on December 9, 2024 at 2:30 p.m. Pacific Time through the contact person listed below.

Caution Regarding Forward-Looking Information and Statements

Certain of the information and statements in this press release are considered "forward-looking information" or "forward-looking statements" as those terms are defined under Canadian securities laws (collectively referred to as "forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, assumptions or future events or performance (often, but not always, identified by words or phrases such as "believes", "anticipates", "expects", "is expected", "scheduled", "estimates", "pending", "intends", "plans", "forecasts", "targets", or "variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "will" or "might", "will be taken", or "occur" and similar expressions) are not statements of historical fact and may be forward-looking statements. By their nature, forward-looking statements and information involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements and information. Lundin Gold believes that the expectations reflected in this forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. This information speaks only as of the date of this press release, and the Company will not necessarily update this information, unless required to do so by securities laws.

This press release contains forward-looking information in several places, such as in statements relating to the Company's guidance and 2025-2027 outlook, including estimates of gold production, grades, recoveries and its expectations regarding cash operating costs, sustaining costs, free cash flow and capital costs, plans to declare and pay dividends, the timing of dividends, Mineral Reserve and Resource estimates, actions taken to mitigate the impacts of disruptions to power to Fruta del Norte and the Company's exploration plans and success. There can be no assurance that such statements will prove to be accurate. Lundin Gold's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed in the "Risk Factors" section in Lundin Gold's Annual Information Form dated March 26, 2024, which is available at www.lundin角度.com or www.sedarplus.ca. Lundin Gold's actual results could differ materially from those anticipated as a result of the factors discussed in the "Risk Factors" section of the Company's Annual Information Form. Risk factors that could cause actual results to differ materially from any forward-looking statement or that could have a material effect on the Company or the trading price of its shares include: instability in Ecuador; community relations; forecasts relating to gold production and costs; mining operations; security; non-compliance with laws and regulations and compliance costs; tax matters in Ecuador; waste disposal and tailings; government or regulatory approvals; environmental compliance; gold price; infrastructure; dependence on a single mine; exploration and development; control of Lundin Gold; availability of workforce and labour; information systems and cyber security; Mineral Reserve and Mineral Resource estimates; title matters and mineral rights and access; health and safety; human rights; employee misconduct; measures to protect biodiversity; endangered species and critical habitats; global economic conditions; shortages of critical resources; competition for new projects; key talent and retention; market price of the Company's shares; social media and reputation; insurance and uninsured risks; pandemics or infectious disease outbreak; climate change; illegal mining; conflicts of interest; ability to maintain obligations; compliance with debt; violation of anti-bribery and corruption laws; internal controls; claims and legal proceedings; and reclamation obligations.

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