

Steppe Gold Sees Continued Strong Cash Flow in Third Quarter

16.11.2020 | [Newsfile](#)

Ulaanbaatar, November 16, 2020 - [Steppe Gold Ltd.](#) (TSX: STGO) ("Steppe Gold" or the "Company") is pleased to announce its financial results for the third quarter ended September 30, 2020.

The Company's interim consolidated financial results for the third fiscal quarter ended September 30, 2020 have been filed on SEDAR. The full version of the Condensed Interim Consolidated Financial Statements and Management's Discussion & Analysis can be viewed on the Company's website at www.steppegold.com or under the Company's profile on SEDAR at www.sedar.com. Amounts are expressed in United States dollars unless otherwise noted.

Steppe Gold President and CEO, Mr Bataa Tumor-Ochir commented, "We are pleased to report another strong quarter of production at the ATO Gold Mine with operating cash flow from mine operations of \$12.7m, for a total of \$24.2m in the approximate 6 months of production year to date.

"Most importantly we are proud to report a zero accident safety record.

"Cash costs remain at market-low levels at \$572 per ounce in the third quarter and, with strong gold prices, this is allowing us to build up a solid cash balance, at over \$37m currently.

"We now have 1.4m tonnes of ore mined and nearly 1m tonnes stacked on Cells 1 and 2. Construction is complete for the leach pad extensions at Cells 3, 4 and 5. We expect to continue our production trend into the fourth quarter with 35,000 oz of gold projected for the first nine months of mine ramp up and targeting a higher run rate in 2021.

"We are well under way with the development of the fresh rock phase 2 of the ATO project. The Bankable Feasibility Study ("BFS") Update and related infrastructure studies are well underway and we are engaging with lenders on the project finance for Phase 2. With a strong cash balance we will look to secure long lead items early in 2021 and we are optimistic we can secure funding soon after the publication of the feasibility study.

"We plan to continue mining and stacking through the winter and look forward to increasing our production run rate from the oxide phase through 2021 and 2022 and a move to fresh rock production starting in 2023."

Third Quarter Highlights (all figures in US\$000s unless stated)

- Revenue for the quarter was \$19,360 on 11,352 gold ounces and 6,553 silver ounces sold with average realized prices per ounce of \$1,930 and \$24 respectively.
- Operating income from mine operations, before depreciation and depletion, was \$12,729.
- Adjusted EBITDA for the quarter was \$9,857.
- Cash Costs for the quarter were \$572 per ounce sold.
- ATO Gold Mine All in Sustaining Cost (AISC) for the quarter was \$794 per ounce sold.
- Due to tax exemptions arising from the COVID-19 pandemic the Company expects to pay minimal income tax in respect of the 2020 financial year.

- During the quarter, 362,750 tonnes of ore was mined and the crushing plant processed 207,663 tonnes of ore with an average gold grade of 2.18 g/t and an average silver grade of 8.48g/t.
- Work continues on the Bankable Feasibility Study (BFS) for the expansion of the ATO Gold Mine. The BFS aims to see expansion of the ATO Gold Mine into fresh rock ore with a planned production profile of approximately 150,000 gold equivalent ounces per year and an estimated ten-year plus mine life.
- The Company is near completion of a resource update for the ATO1, ATO2 and ATO4 deposits at the ATO Gold Mine in addition to a maiden resource for the Mungu Discovery.
- The Company continued exploration drilling and trenching programs at the ATO Gold Mine, Mungu Discovery and Uudam Khundii (UK) Gold Project. Updated results should be available by December 2020.
- The Company received over \$10m in an initial tranche of project financing through the government-initiated Gold 2 programme.
- The Company completed a non-brokered private placement with Eric Sprott, raising approximately \$11,100 through the sale of 6,976,944 units at a price of C\$2.15 per unit.
- The Company forced conversion of the 2018 convertible debentures resulting in an additional 16,230,755 shares being added to the share count.
- COVID-19 continues to pose various challenges for all mining companies. We continue to work hard to mitigate any issues arising.

Details of Non-IFRS Performance Measures noted above can be found in the Company's Management's Discussion & Analysis.

Operational and Financial Summary

Quarter Ending 30 September 2020		Q3	Q2	Q1	Q3 YTD	YTD
(USD)		30 Sep 2020	30 Jun 2020	31 Mar 2020	30 Sep 2020	30 Sep 2019
Waste Mined	bcm	109,862	68,811	19,948	198,622	1,986
Ore Mined	tonnes	362,750	330,225	153,679	846,654	157,210
Processed	tonnes	207,663	164,287	111,866	483,816	195,280
Grade ⁽¹⁾	g/t	2.18	1.67	1.83	1.93	-
Gold Recovery ⁽²⁾	%	70.0%	70.0%	70.0%	70.0%	-
Gold Produced	oz	10,342	15,389	--	25,731	-
Gold Sold	oz	11,352	12,458	--	23,810	-
Silver Produced	oz	6,516	4,978	--	11,494	-
Silver Sold	oz	6,553	3,728	--	10,281	-
Revenue	000's	19,360	19,520	--	38,880	-
Gross Profit	000's	11,324	9,893	--	21,217	-
Mining Unit Cost	US\$/t	6.34	5.04	6.76	5.91	-
Processing Unit Cost	US\$/t	4.06	3.85	4.01	3.97	-
Site G&A Unit Cost	US\$/t	2.48	1.93	2.60	2.29	-
Cash Cost	US\$/oz	572	595	--	N/A	-
All-in-Sustaining Cost	US\$/oz	794	739	--	N/A	-

(1) Grade is in respect of the gold grade of ore fed through the heap leach pad.

(2) Gold Recovery of 70% is based on the technical reports and is used to calculate inventories and cost of sales. Actual recoveries may vary

Outlook

The Company intends to continue mining and stacking throughout the winter months at current or higher rates, although it expects a slightly lower rate of production in the first quarter of 2021, the coldest months of the year. For the year ending December 31, 2020 it expects to record total gold sales of around 35,000 ounces, noting that the first gold sale occurred in late April 2020.

It is targeting annual production in 2021 and 2022 of between 50,000 to 60,000 oz and then a transition to the fresh rock ores in 2023.

The Company is pleased to announce the completion of construction of cells 3,4 and 5 of the leach pad. Stacking the first level of the leach pad will continue through the first half of 2021. In addition, a boiler house is under construction which will be used to warm barren solution and the ADR plant. Completion of the boiler house is planned for December 2020

With the Bankable Feasibility Study due for completion in H1 2021, we expect to start construction of the new flotation and CIL circuit in H2 2021 with longer lead items being procured starting in early 2021. DRA Global has been retained for the BFS and Base Metallurgical Laboratories has been retained to complete metallurgical test work. The BFS is based on a previously completed Centerra Gold 2012 Internal Feasibility study together with further internal studies and exploration and infill drilling undertaken by Steppe Gold from 2017 to present.

An upgraded power solution will be required for the fresh rock phase and Wood PLC and EuroKhan LLC has been retained to prepare a power study. A tailings dam study is also underway with a leading global engineering firm.

Financing strategies for the ATO Gold Mine expansion are advancing in parallel with the BFS process, with construction targeted for commencement in Summer 2021. The Company has retained Turms Advisors, a leading firm specializing in credit structuring solutions, to advise on the Project Finance options. The Company has commenced discussions with project finance and lending groups, and it expects to fund any required equity contribution from operating cash flows and cash on hand.

[Steppe Gold Ltd.](#)

Steppe Gold is Mongolia's premier precious metals company.

For Further information, please contact:

Bataa Tumur-Ochir, CEO and President

Shangri-La office, Suite 1201, Olympic street
19A, Sukhbaatar District 1,
Ulaanbaatar 14241, Mongolia
Tel: +976 7732 1914

Cautionary Note Regarding Forward-Looking Statements:

The above contains forward-looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward-looking statements. Factors that could cause such differences include: changes in world commodity markets, equity markets, costs and supply of materials relevant to the mining industry, change in government and changes to regulations affecting the mining industry. Forward-looking statements in this release include, among other things, statements regarding the trading of the Common Shares and business, economic, and political conditions in Mongolia. Although we believe the expectations reflected in our forward-looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements. We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/68247>

Dieser Artikel stammt von [Minenportal.de](https://www.minenportal.de)

Die URL für diesen Artikel lautet:

<https://www.minenportal.de/artikel/325056--Steppe-Gold-Sees-Continued-Strong-Cash-Flow-in-Third-Quarter.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#)!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by [Minenportal.de](https://www.minenportal.de) 2007-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).