

IMPACT Silver Announces Q1 Financial & Production Results, Earns EBITDA of \$0.5 Million on \$3.4 Million Revenue

25.05.2020 | [Newsfile](#)

Vancouver, May 25, 2020 - [Impact Silver Corp.](#) (TSXV: IPT) (OTC Pink: ISVLF) ("IMPACT" or the "Company") announces its financial and operating results for the quarter ended March 31, 2020.

The Company reported \$3.4 million in revenue for the first quarter of 2020 a 15% improvement compared to Q1 2019 at \$3.0 million. EBITDA increased by \$0.9 million from the comparative period in 2019 and the net loss was \$0.09 million compared to a net loss of \$0.9 million in Q1 2019.

Mine operating earnings before amortization and depletion improved by \$0.3 million as cost reductions and margin expansions continue to lift earnings. Operating activities in Q1 2020 generated cash flows of \$0.7 million compared to cash flows used in operating activities of \$1.0 million in 2019 due to improved financial performance.

Fred Davidson, President & CEO of IMPACT, stated, "In Q1 2020 we saw first hand the leverage that silver prices have had in reacting to broad market malaise and quantitative easing globally. Staying with the disciplined operational control we set in place to survive the difficult low silver prices stretch for the last 6 years, we are now seeing dividends from our efforts. I would like to thank our stakeholders, investors, and staff for your continued trust and dedication in building IMPACT Silver as one of the purest silver producers."

With ongoing operational improvements coupled with strong silver fundamentals, IMPACT is well positioned to capitalize on increased investor demand for pure precious metals miners.

In Q1 2020, IMPACT has continued to shift production to the Guadalupe Silver Mine located adjacent to the Guadalupe mill and the newly developed Veta Negra open pit. Both contributed significantly to lower costs of operation due to proximity and ease of processing.

Production Overview

- Silver production increased to 178,994 ounces in Q1 2020 compared to 163,575 ounces in Q1 2019 due to higher grades and increased tonnes milled.
- Production at the Guadalupe mill during the first quarter of 2020 came from the Guadalupe Mine (38% of total mill feed), the San Ramon Mine (22% of mill feed), the Cuchara Mine (23% of mill feed), and the Veta Negra Mine (17% of mill feed).
- Average mill feed grade for silver was 170 grams per tonne (g/t) in Q1 2020, an increase from 167 g/t in Q1 2019.
- Throughput at the mill in Q1 2020 was 39,537 tonnes compared to 35,788 in Q1 2019.

Financial Overview

- Income before taxes was \$0.06 million in Q1 2020, a significant improvement from a loss of \$0.9 million in Q1 2019.
- Net loss for the quarter was \$0.09 million compared to a net loss of \$0.9 million in 2019.
- Earnings before interest, taxes, depreciation and amortization (EBITDA)^[1] for Q1 2020 improved \$0.9 million from the comparative period 2019.
- Revenue for Q1 2020 was \$3.4 million compared to \$3.0 million in 2019.
- Mine operating earnings^[2] for 2020 improved \$0.3 million from Q1 2019.
- Direct cost per tonne decreased to \$75.16 in Q1 2020, an 9% decrease from Q1 2019 at \$82.47.
- At March 31, 2020 the Company's cash and working capital remained strong at \$3.9 million and \$3.4 million respectively.

- Cash flows generated from operations were \$0.7 million in Q1 2020, compared to \$1.0 million used in operations in Q1 2019.

Silver prices for the first quarter of 2020 improved significantly over 2019, ranging during the quarter from \$17 to nearly \$19/ounce USD in early March. However, the unprecedented COVID-19 pandemic would go on to be a drag on market and the need for liquidity quickly plunged prices to a low of \$12/ounce before rebounding well over \$15/ounce towards April which negatively impacted first quarter concentrate pricing.

To do our part in flattening the curve, IMPACT announced a halt to operations and production in April in conjunction with the Mexican government decree, to limit spread of COVID-19, despite having zero cases of this virus in the Zacualpan mining district. The Government has now designated mining as an essential industry and has provided for a resumption of mining activity June 1st.

Cost control remains a high priority for IMPACT. In addition to increasing efficiency and grade at operations, cost reduction initiatives are well under way to ensure IMPACT can weather the markets. Direct cost per tonne at the mill was \$75.16/tonne - dropping nearly 9% from Q1 2019 of \$82.47/tonne, a showcase of the Company's continued dedication to efficient operation. Revenue per tonne remained almost identical to Q1 in 2019. IMPACT continues to focus on cost reductions and maximizing revenue per ounce sold.

Production Updates

Veta Negra Silver Mine

The Veta Negra mine is a new small open pit operation which commenced production in September 2019. It is located four kilometres northwest of the Guadalupe mill. The mine contributes a silver-rich feed to the Guadalupe mill from a near surface bulk tonnage zone. During the first quarter of 2020, the Veta Negra Mine provided 17% (Q1 2019 - 0%) of feed to the Guadalupe mill. Diluted mining grades at Veta Negra during Q1 2020 averaged 191 g/t silver. Work in progress is focused on determining the full production potential of this zone. The Veta Negra vein system was mined in the 1970's and 1980's by a previous operator from open pit and underground. North-northwest trending parallel, near surface veins and intercalated disseminated mineralization over a width averaging 14 metres justified open pit mining methods and are presently being tested to determine the potential of expanding the open pit. Historic and recent sampling has shown vein system continuity over a strike length of 650 meters. During the quarter IMPACT personnel carried out three series of continuous chip samples across the El Socorro vein and the Veta Negra vein along a 50m strike length in the Veta Negra open pit which returned the following results:

Vein Name	Sampled Width (m)	Sampled Vein Length (m)	Silver gm/t	Gold gm/t	Lead %	Zinc %
Veta El Socorro	22.70	50.84	205.7	0.02	0.14	0.31
Veta Negra	16.02	52.28	208.5	0.13	0.41	0.56

Exploration Sampling Result at Chapanial Gold

During the quarter, IMPACT announced results from rock sampling in the Chapanial area which included 97.5g/t gold and 97.9g/t silver over a true width of 0.80 meters and 18.25g/t gold and 75.4g/t silver over a true width of 0.20 meters. Additional work is planned.

Exploration Field Work

IMPACT crews have been sampling some of the 5,000+ old mine workings and prospects in the districts as well as exploring new areas. During the quarter, fieldwork was mainly focused on the north extensions of the Veta Negra mine and in the Chapanial area located 7km west of the Guadalupe processing plant where new gold and silver prospects have been identified. In addition, compilation of historical maps and other technical data from the districts into a large computer database continued and is being used to plan future exploration programs.

Subsequent Financing

Subsequent to the quarter and during the COVID-19 uncertainty, IMPACT Silver was able to negotiate a binding deal financing with a strategic investor group in raising \$2.0million providing additional fortitude to weather fluctuation in the medium term due to COVID-19 related disruptions. The non-brokered private placement was composed of 6,666,667 units at \$0.30 per unit and each unit consisting of one share and one share purchase warrant exercisable at a price of \$0.385 until August 2023.

A recorded conference call reviewing the financial and production results of the year ended Mar 31, 2020 will be available on the Company website on May 20, 2020 at www.impactsilver.com/s/ConferenceCalls.asp.

George Gorzynski, P.Eng., a Qualified Person under the meaning of Canadian National Instrument 43-101, approved the technical content regarding exploration work in this news release.

The information in this news release should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and Management's Discussion and Analysis, available on the Company website at www.impactsilver.com and on SEDAR at www.sedar.com. All amounts are stated in Canadian dollars unless otherwise specified.

About IMPACT Silver

[Impact Silver Corp.](#) is a successful silver-gold explorer-producer with two processing plants on adjacent districts within its 100% owned mineral concessions covering 211km² in central Mexico with excellent infrastructure and labor force. Over the past 15 years, IMPACT has produced over 10.0 million ounces of silver, generating revenues over \$194 million, with no long-term debt. At the Royal Mines of Zacualpan Silver District three underground silver mines and one open pit mine feed the central Guadalupe processing plant. To the south, in the Mamatla District the Capire processing pilot plant is adjacent to an open pit silver mine with a mineral resource of over 4.5 million oz silver, 48 million lbs zinc and 21 million lbs lead (see IMPACT news release dated January 18, 2016) that is awaiting higher silver prices to be restarted. Given the challenging markets the last few years, IMPACT has focused its exploration efforts on high probability gold and silver targets, with potentially rapid timelines to production and proximity to the Guadalupe processing plant. With over a decade of exploration successes leading to production cash flows, IMPACT has shown the Zacualpan District to be endowed with many high grade epithermal silver-gold zones..

Additional information about IMPACT and its operations can be found on the Company website at www.IMPACTSilver.com.

On behalf of [Impact Silver Corp.](#)

"Frederick W. Davidson"

Frederick W. Davidson
President & CEO

For more information, please contact:
Jerry Huang
CFO & Investor Relations
(604) 681-0172 or inquiries@impactsilver.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking and Cautionary Statements

This IMPACT News Release may contain certain "forward-looking" statements and information relating to IMPACT that is based on the beliefs of IMPACT management, as well as assumptions made by and information currently available to IMPACT management. Such statements reflect the current risks,

uncertainties and assumptions related to certain factors including but not limited to, without limitations, exploration and development risks, expenditure and financing requirements, title matters, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices, and one-time events. Should any one or more risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements may vary materially from those described herein. IMPACT does not assume the obligation to update any forward-looking statement.

The Company's decision to place a mine into production, expand a mine, make other production related decisions or otherwise carry out mining and processing operations, is largely based on internal non-public Company data and reports based on exploration, development and mining work by the Company's geologists and engineers. The results of this work are evident in the discovery and building of multiple mines for the Company and in the track record of mineral production and financial returns of the Company since 2006. Under NI43-101 the Company is required to disclose that it has not based its production decisions on NI43-101-compliant mineral resource or reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure.

[1] Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-IFRS measure which the Company believes provides meaningful information about the Company's financial performance.

[2] Mine operating earnings before amortization and depletion is a non-IFRS measure which the Company believes provides meaningful information about the Company's financial performance.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/56430>

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/352123--IMPACT-Silver-Announces-Q1-Financial-und-Production-Results-Earns-EBITDA-of-0.5-Million-on-3.4-Million-Reve>

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 Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).