

Fiore Gold Announces excellent FY 2020 results and issues 2021 guidance

FI[®]RE GOLD

Fiore Gold Ltd. (TSX.V: F)

Announced that its financial statements and management's discussion and analysis for the fiscal year ended September 30, 2020, have been filed with the securities regulatory authorities

Highlights are full-year gold production of 46,031 ounces (an 11% increase over the preceding year and within guidance of 45,000-48,000 ounces), and gold sales of 46,334 gold ounces at an average realised price of \$1,681 per ounce.

Fiore Gold	TSX.v: F
Stage	Production + Development
Metal	Gold
Market cap	C\$148 m @\$1.44
Location	Nevada + Washington

FIORE GOLD ANNOUNCES FULL YEAR 2020 RESULTS AND 2021 GUIDANCE

December 16, 2020

Vancouver, British Columbia – **FIORE GOLD LTD. (TSXV: F) (OTCQB: FIOGF)** (“Fiore” or the “Company”) is pleased to announce that its financial statements and management’s discussion and analysis for the fiscal year ended September 30, 2020, have been filed with the securities regulatory authorities and are available at www.sedar.com and on the Company’s website at www.fioregold.com

For brevity, this summary has been redacted, to read the full news release, please click [HERE](#)

2020 Operational and Financial Highlights

(all figures in U.S. dollars unless otherwise indicated)

- Full-year gold production of 46,031 ounces, an 11% increase over the preceding year and within guidance of 45,000-48,000 ounces
- Full-year gold sales of 46,334 gold ounces at an average realized price of \$1,681 per ounce
- Full-year mined ore production of 14,961 tons per day at a stripping ratio of 1.5 and grade of 0.015 ounces/ton,

all measures within or better than guidance.

- Fiore consolidated AISC¹ per ounce sold of \$1,148, Pan Mine AISC¹ per ounce sold of \$1,026 and cash costs per ounce sold¹ of \$947
- Recorded annual revenues of \$77.9 million with mine operating income of \$26.9 million
- Generated Pan operating cash flow of \$31.7 million and consolidated operating cash flow of \$24.3 million, compared to \$10.0 million and \$4.5 million respectively in 2019
- Continued to strengthen our balance sheet with cash of \$23.2 million, an increase of \$15.9 million relative to reported cash at September 30, 2019, and net working capital of \$40.0 million as of September 30, 2020
- Pan stand-alone operating income¹ of \$26.8 million and consolidated operating income of \$19.6 million
- Net income of \$18.0 million and basic and diluted earnings of \$0.18 per share, compared to \$2.4 million, or \$0.02 per share in 2019
- Worked 297,672 man-hours in the fiscal year 2020 with zero lost-time injuries. Our operations team at Pan received the Small Mine Safety Award from the Nevada Mining Association for the fifth consecutive year.
- Mining declared an essential business in Nevada and the Pan Mine continues to operate with strict protocols in place focused on protecting the health and safety of our employees

2020 Organic Growth Highlights

- At Pan, we completed an exploration drilling program of 21,741 metres (71,330 feet) and announced an updated reserve, resource and life of mine plan that extended the mine life by two years into 2025

- At Gold Rock, results of a Preliminary Economic Assessment (“PEA”) were released on April 9th demonstrating positive economics with opportunities to further enhance value. The related technical report was filed May 13.
- Following the completion of the Gold Rock PEA, we initiated a program of resource expansion, metallurgical, geotechnical and condemnation drilling in support of a Gold Rock Feasibility Study. First drill results were announced subsequent to year-end, headlined by 48.8 metres of 2.17 g/t gold and 32.0 metres of 1.41 g/t gold.
- At our third project, Golden Eagle, in Washington State, we announced a 2.0 million ounce measured and indicated resource

Q4 2020 Operational and Financial Highlights

- Q4 gold production of 12,432 ounces, gold sales of 12,455 gold ounces at an average realized price of \$1,920 per ounce
- Q4 mined ore production of 15,489 tons per day with the stripping ratio reducing as guided to 1.1 and grade of 0.015 ounces/ton, ore tons mined better than plan due to positive ore reconciliation
- Recorded quarterly revenues of \$23.9 million with mine operating income of \$10.9 million
- Generated Pan operating cash flow¹ of \$11.4 million and consolidated operating cash flow of \$9.9 million
- Net income of \$9.3 million and Adjusted net earnings¹ of \$8.7 million, both new quarterly records
- Worked 81,219 man-hours, achieving our goal of zero reportable incidents, zero reportable accidents, and

zero lost-time injuries

- Q4 2020 Fiore consolidated AISC¹ of \$1,106, Q4 2020 Pan Mine AISC¹ per ounce sold of \$965 and cash costs per ounce sold¹ of \$886
- Commenced construction of heap leach pad expansion phase III

"FY2020 was an excellent year for all Fiore Gold stakeholders. Pan generated record results, most notably net income of \$18.0 million, \$0.18 earnings per share and operating cash flow of \$24.3 million.

"We also generated \$15.9 million of free cash flow in 2020 despite considerable investment in Pan and Gold Rock drilling, as well as the on-going leach pad expansion at Pan. More importantly, our recently announced resource and reserve estimate reflects a two-year mine life extension at the Pan Mine, ensuring we will mine well into 2025.

"With positive drill results at the adjacent Gold Rock project and a significant resource update at our Golden Eagle project, we continue take tangible steps toward achieving our goal of operating Pan and Gold Rock in unison, creating the only multi-asset, 100% US domestic gold producer."

– Tim Warman, Chief Executive Officer of Fiore

Review of Operating Results



Gold production of 46,031 ounces was 11% higher than

production in 2019. Ore mined was slightly higher than 2019 due to some positive ore reconciliation, whereas waste tons mined decreased reflecting a lower stripping ratio of 1.5:1.0.

The following table outlines FY2020 guidance as compared to actual results for FY2020:



Full-year mined ore production of 14,961 tpd was higher than guidance due to positive ore reconciliation. Strip ratio of 1.5 and grade of 0.015 ounces/ton were slightly better than and within guidance, respectively.

Full-year gold production of 46,031 represented an 11% increase over the year ended September 30, 2019 and within the guidance range of 45,000 to 48,000 ounces.

Total cash costs per ounce¹ ended the year at \$947, below the guidance range of \$975 to \$1,025 per ounce. The average cash cost per ounce was driven down by the stripping ratio coming in slightly below guidance due to positive ore reconciliation as noted above, lower operating cost per ton metrics than utilized within the guidance determination and higher contained gold ounces mined.

FY 2021 GUIDANCE



Key Developments

Pan Mine

Subsequent to year-end, we announced an updated resource and reserve estimate for the Pan Mine:

- Updated Proven and Probable mineral reserves of 23.5 million tons at a gold grade of 0.012 troy ounces per short ton (“oz/st”) or 0.42 grams per tonne (“g/t”) containing 290,500 ounces of gold
- The updated mineral reserve estimate represents a 6% increase in contained gold ounces and fully replaces reserves mined since the last reserve update in September 2018
- Updated Measured and Indicated mineral resources of 31.1 million tons at a gold grade of 0.014 oz/st (0.47 g/t) containing 427,400 ounces of gold
- The updated mineral resource estimate is 99% of the resource estimate at Fiore Gold’s inception (effective February 10, 2017)
- An updated Life of Mine (“LOM”) plan based on the updated reserve estimate extends the mine life at Pan by two years into 2025 at a mining rate of 14,000 tons per day of ore while maintaining a low life of mine strip ratio of 1.66:1

The updated reserve and resource estimates continue to support our strategy of replacing ounces at the Pan Mine by methodically and prudently investing internal cash flow to extend the mine life. At Fiore Gold’s inception, the Pan Mine Proven and Probable mineral reserves and Measured and Indicated resources (effective February 10 and March 16, 2017 respectively) were 318,000 ounces and 430,000 ounces, respectively. Despite approximately three years of mining depletion, the updated 2020 Proven and Probable reserves and Measured and Indicated resources are 290,500 ounces (91% of original reserve) and 427,400 ounces (99% of original resource), respectively. The reserve and resource replacement has been achieved while spending approximately \$1.5 million on exploration annually over the past three years. Importantly, we have achieved these results without diluting shareholders through additional equity raises or taking on corporate debt since the formation of the Company in 2017.

Future drilling programs will aim to replenish the Inferred category, particularly with newly identified targets like Mustang which to date are not included in any resource category. We believe our history of conversion and improved understanding of the geology bode well for our ability to convert Inferred resources going forward.

Gold Rock

On April 9, 2020, we announced results from a PEA completed for the federally permitted Gold Rock gold project located approximately 8 miles southeast of the Pan Mine. This PEA represents the first ever economic and technical analysis of mining at Gold Rock and shows the project can deliver solid returns for a modest capital investment. The PEA provides an updated mineral resource estimate and a base case assessment of developing the Project as a satellite open pit operation that will share significant infrastructure and management with the adjacent Pan Mine. The PEA also identifies a considerable number of opportunities to enhance the project economics as Gold Rock advances to the Feasibility stage by drilling to increase the mineral resource, further metallurgical testing aimed at improving recoveries, and geotechnical drilling aimed at reducing the stripping ratio. On May 13, 2020, Fiore filed the related technical report.

The Company also announced the start of a program at Gold Rock of resource expansion, metallurgical, geotechnical and condemnation drilling to advance the Feasibility Study through 2021. Initial drill results were released on November 24, 2020 and were headlined by 48.8 metres of 2.17 g/t gold and 32.0 metres of 1.41 g/t gold. We look forward to providing more drill results and progress updates during 2021.

On behalf of FIORE GOLD LTD.

"Tim Warman"

Chief Executive Officer

=====

City Investors Circle is based in the financial district in the City of London.

We present interesting and exciting junior mining companies listed on the ASX and TSX stock exchanges to a group of city professionals, and private investors, all of whom are active investors with a mandate to invest in junior mining companies.

Our audience is selected and invited individually to ensure interest and relevance for the presenting company.

Meetings are small group, highly focused and engaged, with a lively Q and A to follow the main presentation.

We create awareness, and maintain interest in presenting companies by disseminating their future news to our entire investor group via email, social media, and our Monthly Review newsletter.

If you wish to present to our select group of active mining investors, please email: andrew@city-investors-circle.com for information.

=====

This website is not sponsored, we are truly independent, and will always remain so.

Companies featured here have either presented to the Circle in London, or have been selected because they are considered to have interesting projects, in good jurisdictions, run by an experienced management team.

All information used in the preparation of this communication has been compiled from publicly available sources that we believe to be accurate and reliable, however, we cannot, and do not, guarantee the accuracy or completeness of this.

These articles are for information purposes only, and are not recommendations in any form. Always consult an investment professional

Disclosure

The writer holds shares in Fiore Gold, bought in the market at the prevailing price on the day of purchase.