

# Karora Resources Inc.

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## RNC Minerals posts solid first quarter financials and is confident on output for 2020

RNC Minerals Corp (TSE:RNX), the Western Australia- focused miner, has posted solid financials and a strong operating performance in the first quarter of 2020, which saw production lifted and costs reduced.

The miner, which runs the Beta Hunt and HGO mines, also strengthened its coffers and ended the three months to March 31 with cash of C\$38.4 million, and working capital of C\$30.7 million. That is an improvement of C\$3.8 million and C\$4.2 million respectively compared to the end of 2019.

**READ:** RNC Minerals on track to achieve 2020 gold guidance as it posts strong output in first quarter

RNC's net earnings for the first three months of 2020 were C\$884,000 compared to a loss of C\$1.5 million in the first quarter of 2019. Revenue came in at C\$54.2 million, versus C\$10.8 million in the first quarter of 2019.

The company had all-in-sustaining-costs (AISC) of US\$1,101 per ounce sold during the quarter, a US\$30 per ounce improvement on the fourth quarter of 2019.

"Despite challenges associated with the Australian bushfires, the subsequent heavy rainfall and the current (coronavirus) COVID-19 situation, RNC reported a strong start to 2020, with first quarter gold production totaling 24,816 oz. Not only did we deliver strong production, but we also continued our downward trend in AISC, in line with our US\$1,000 per ounce target by the end of 2020," Paul Andre Huet, the group's chief executive said in a statement.

"With a cash balance of c\$38.4 million, net of delivery of c\$5.3 million into our hedges, RNC is currently in the strongest financial position in its history and we look forward to continuing to deliver for our stakeholders this year," he added.

Huet also noted that although the firm did not expect any material impact from the ongoing coronavirus pandemic on group operations, it has chosen to increase run-of-mine (ROM) stockpile levels, which now total 106,000 tonnes, should disruptions to the mine site or supply chain occur in the future.

"This strategy proved prudent ahead of the Australian bushfires, which affected both Q4 2019 and Q1 2020," he added.

RNC said it remains on track to achieve its 2020 gold production guidance of 90,000 to 95,000 ounces and AISC of US\$1,050 to US\$1,200 per ounce sold, assuming no significant interruption in operations as a result of the virus.

Highlights in the quarter also included growing the potential feed for the HGO open pit, with recent drilling suggesting mine life extensions at both the Baloo and Fairplay North open pits.

Recent drilling at HGO combined with a review of historical exploration continues to identify a number of areas at the

**Price:** 3.6

**Market Cap:** \$2.33 billion

### 1 Year Share Price Graph



### Share Information

**Code:** KRR

**Listing:** TSX

**52 week High Low**  
3.8 2.0925

**Sector:** Mining

**Website:** [www.karoraresources.com](http://www.karoraresources.com)

### Company Synopsis:

*Karora Resources is a multi-asset mineral resource company focused primarily on the acquisition, exploration, evaluation and development of precious metal properties. It is Karora's vision to become the next sustainable high quality mid-tier producer.*

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mine for further exploration, including at the high-grade Aquarius project, formerly Corona project, and a newly interpreted 5 kilometer structure north of historic Trident mine.

There are also potential open pit expansions to both the Mousehollow and Hidden Secret projects, RNC noted.

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