

Chaarat Gold Holdings Ltd

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Chaarat Gold on track to meet operational targets at Kapan mine

Chaarat Gold Holdings Limited (LON:CGH) said is confident of meeting its targets at the Kapan mine in Armenia by the end of the third quarter.

The Kapan mine, which Chaarat bought in January, increased run of mine (ROM) ore production by 8% year-on-year in the year to date.

Production of copper concentrates was up 12% on the year while zinc concentrate output fell 10% due to lower grades and slightly less mill recoveries.

The RoM grade in gold equivalent (AuEq) terms dropped 14%, resulting in a 6% decline in contained RoM metal.

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But costs per tonne of ore treated was 10% lower year on year, allowing the company to absorb the impact of lower ROM ore grades.

New mineral resource estimate better reflects value of the assets, says CEO
The group announced a new mineral resource estimate (MRE) of 1.775mln ounces of AuEq, measured and indicated (M&I) based on the results of 69,000 meters of drilling completed in 2018.

Chief executive Artem Volynets said the MRE better reflect the underlying potential and value of the assets.

"We are especially encouraged by the significant increase in M&I Resource of 54% from 1.15 to 1.775Moz Au Eq, which supports our belief that we will be able to replace reserves at Kapan on a continuous bases going forward," he said.

Actions taken to address legacy issues

A number of legacy issues and operational challenges have had a negative effect on operations but Chaarat said the actions it has taken to address the problems are starting to yield results.

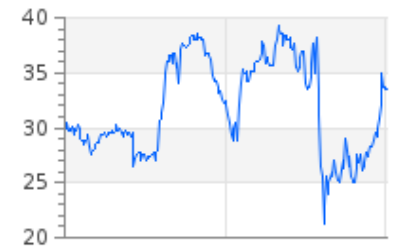
"Although this year has seen a challenging start to ownership due to a number of legacy issues, our experienced management and mine-site team identified these early and began remedial work immediately with encouraging results," said CEO Volynets.

"As we continue to streamline operations and drive other improvements, we are confident that Kapan will achieve our targeted operational results in Q3 of this year."

Price: 33.5

Market Cap: £175.73 m

1 Year Share Price Graph



June 2019 November 2019 May 2020

Share Information

Code: CGH

Listing: AIM

52 week High Low
41 19.18

Sector: Gold & silver

Website: www.chaarat.com

Company Synopsis:

Chaarat Gold Holdings Limited is an AIM-quoted gold mining company founded in 2007 with the initial goal of exploring and developing a gold project within the Tien Shan Gold Belt, in the North West of the Kyrgyz Republic. Chaarat has two high quality development assets in the Kyrgyz Republic, the Tulkubash oxide deposit and the Kyzyltash sulphide deposit.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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