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TSX: ASND

[www.ascendantresources.com](http://www.ascendantresources.com)

## ASCENDANT RESOURCES REPORTS NET INCOME IN THIRD QUARTER

### Highlights Include:

- **Net income of \$821,000 and \$0.01/share**
- **Third consecutive month of positive adjusted EBITDA<sub>1</sub>; \$2.4 million total for Q3 2017**
- **75% increase in revenue versus Q2 2017**
- **Operating cash flow before changes in working capital of \$2.3 million; Free cash flow expected before the end of Q4**
- **Milled production increased by 17% versus Q2 2017 averaging 1,934 tpd**
- **Operational and financial performance expected to support a strong Q4 and year-end exit driving expectations for a robust 2018**

**TORONTO, ONTARIO - Ascendant Resources Inc.** (TSX: ASND) (OTCQX: ASDRF; FRA: 2D9) ("Ascendant" or the "Company" - [http://www.commodity-tv.net/c/search\\_adv?v=297926](http://www.commodity-tv.net/c/search_adv?v=297926) ) is very pleased to announce its first quarter of net income and third consecutive month of positive adjusted EBITDA<sub>1</sub> just nine months after acquiring the El Mochito mine in Honduras. The Company has aggressively ramped up monthly production by 67% year to date, and is on track to exceed its fourth quarter targeted average production rate of 2,200 tonnes per day ("tpd") as well as exit the year with free cash flow.

Milled production for the third quarter ("Q3 2017") at the El Mochito mine was 176,037 tonnes (or an average of 1,934 tonnes per operating day) representing a 17% improvement over the second quarter ("Q2 2017") production of 150,785 tonnes (or an average of 1,733 tonnes per operating day). Milled production for the month of September was 59,601 tonnes (or an average of 2,055 tonnes per operating day), representing an 8% increase from August production of 58,978 (or an average of 1,903 tonnes per operating day).

The substantial increase in production rates can be largely attributed to the near completion of a comprehensive turnaround program at all areas of El Mochito. Delivery of new mining equipment continued with the commissioning of two trucks and two scoops early in the quarter. An additional truck, three new scoops and a single-boom jumbo drill are expected to be delivered in the fourth quarter. As part of the same order, another four trucks, two bolters and a second single-boom jumbo drill are expected to be delivered in the first four months of 2018. This additional equipment along with the on-going operational improvement programs will support continued strong production performance through the year-end and provide even further growth opportunity into 2018 with reduced operating costs.

## Q3 2017 Financial Results

All financial figures are in US dollars unless otherwise stated.

The Company reports financial results for the three months ended September 30, 2017 with net concentrate sales revenue of \$17.4 million, an increase of 75% versus revenue of \$9.9 million in the second quarter, generating net income of \$0.8 million and earnings per share of \$0.01 and adjusted EBITDA<sub>(1)</sub> of \$2.4 million.

The Company sold 4,553 tonnes of zinc concentrate and 1,770 tonnes of lead concentrate at weighted average metal prices of \$1.43 per pound zinc, \$1.06 per pound lead and \$16.02 per ounce of silver.

### Q3 2017 Financial Results Highlights:

- Net concentrate **sales revenue of \$17.4 million, up 75%** from Q2 2017
- **Net income of \$0.8 million** and **earnings per share of \$0.01**
- Adjusted EBITDA<sub>(1)</sub> of \$2.4 million
- Operating cash flow before changes in working capital of \$2.3 million
- Total cash position of \$6.6 million
- Quarterly **milled tonnes increased 17%** to 1,934 tpd, up from 1,733 tpd in Q2 2017
- Quarterly **payable zinc equivalent (ZnEq)<sub>(2)</sub> production increased 14%** to 14.9 million lbs from Q2 2017 with payable zinc, lead and silver production of 10.0 million lbs, 3.9 million lbs and 117,727 ozs produced respectively

Chris Buncic, President and CEO of Ascendant commented: *"We are extremely pleased to report our first quarter of net income. This is quite a milestone for Ascendant as it firmly marks the transition towards our objective of Free Cash Flow. Our operational success at El Mochito has provided significantly higher revenues that have led to positive EBITDA for the past three months and gives good visibility to achieve our targeted free cash flow in the fourth quarter and into 2018."*

He continued *"Our primary focus for 2017 was to drive monthly tonnage to confirm El Mochito was capable of higher production rates as well as to fix a myriad of issues needed to attain operational stability and provide a path to future growth. The focus now and into 2018 will be to drive increased value per tonne mined, primarily through improving grade while at the same time reducing costs. This mine optimization will provide the foundation for the next phase of growth led by the success of our current exploration program."*

## Summary of Financial and Operating Results

### Financial Results

	Q3 2017	Q2 2017	Q1 2017	9 Months YTD
Average Realized Metal Price				
Zinc (\$/lb)	1.43	1.25	1.26	1.32
Lead (\$/lb)	1.06	0.98	1.04	1.03
Silver (\$/oz)	16.02	16.97	18.01	16.2
Revenues	17,399,214	9,941,830	7,924,416	35,265,460
Adjusted EBITDA <sub>(1)</sub>	2,423,205	(5,552,201)	(1,932,694)	(4,818,380)

Net income (loss)	821,009	(8,555,453)	(2,893,917)	(10,628,361)
Basic Income (loss) per share	\$0.01	(\$0.15)	(\$0.04)	(\$0.17)

### El Mochito Operational Results

	Q3 2017	Q2 2017	Q1 2017	9 Months YTD
Tonnes Mined (tonnes)	177,631	151,028	131,325	459,984
Tonnes Milled (tonnes)	176,037	150,785	131,115	457,938
Operating Days	91	87	81	259
Tonnes Milled (tpd)	1,934	1,733	1,619	1,768
Average Head Grade				
Zinc (%)	3.51	3.36	3.43	3.44
Lead (%)	1.46	1.34	1.33	1.38
Silver (oz/t)	38.3	48.9	52.1	45.8
Zinc Equivalent Head Grade (%) <sup>(2)</sup>	5.36	5.50	5.56	5.47
Average Recoveries				
Zinc (%)	88.8	88.9	89.8	89.1
Lead (%)	73.7	72.3	76.9	74.2
Silver (%)	78.0	79.3	78.8	79.4
Contained Metal Production:				
Zinc (tonnes)	5,488	4,505	4,032	14,025
Lead (tonnes)	1,894	1,459	1,341	4,694
Silver (oz)	168,181	188,245	173,041	529,640
Zinc Equivalent (tonnes) <sup>(2)</sup>	7,936	6,975	6,201	21,111
Zinc Equivalent (lbs) <sup>(2)</sup>	17,496,673	15,376,986	13,671,410	46,541,979
Zinc Equivalent (tonnes) Payable Produced <sup>(2)</sup>	6,746	5,929	5,271	17,944
Zinc Equivalent (lbs) Payable Produced <sup>(2)</sup>	14,872,172	13,070,438	11,620,699	39,560,682
Site Operating Cost per Tonne Milled (ex. CAPEX)	\$87.86	\$89.97	\$98.91	\$91.72

(1) EBITDA (earnings before interest, taxes, depreciation and amortization) is a Non-IFRS measure and is calculated by considering Company's earnings before interest payments, tax, depreciation and amortization are subtracted for any final accounting of its income and expenses.

(2) ZnEq Payable tonnes Produced = ((Zn Payable tonnes Produced x Zn Price)+(Pb Payable tonnes Produced x Pb Price)+ (Ag oz Payable Produced x Ag Price/oz x Oz to tonnes conversion ratio))/Zn Price where Zn and Pb prices are in tonne.

Contained metal production for the third quarter was 5,488 tonnes of zinc, 1,894 tonnes of lead and 168,181 ounces of silver. On a Zinc equivalent (ZnEq) basis accounting for recoveries and payability rates, metal production was 7,936 tonnes during the quarter, a 14% increase from Q2 2017.

Revenues were up by 75% in the third quarter, at \$17,399,214 as compared to \$9,941,830 in Q2 2017 as the Company was able to increase concentrate shipments due to increased ZnEq payable production as well as benefitting from higher realized prices for both zinc and lead. With the addition of two new trucks and scoops in mid-July, the availability of the mobile equipment improved, contributing to the production and revenue increases. Gross profit in the third quarter was also up sharply at \$3,058,992 as compared with a loss of (\$4,992,993) in Q2 2017.

In Q3 2017 the Company generated its first quarter of net income since taking ownership of the mine in late December, just nine months ago. Net income was \$821,009, or \$0.01 per share. Cash from operations was \$2,277,774 before changes in working capital, and cash used in operations was (\$713,452) after taking into account the increases in inventory for our next shipment, increased sales receivables and other working capital items. As production and sales have ramped up during the year, the associated increases in concentrate inventory and sales receivable have increased cash used in operations. As production normalizes, the changes in cash flow due to working capital items should also normalize. Management now believes it has visibility on the path to increased head grades and production rates for the fourth quarter and into 2018, which will continue the trend of increasingly improved financial performance.

Total mine operating costs, or cost of goods sold, excluding capital expenditures were \$14.3 million as compared to \$14.8 million in Q2 2017 due to timing of sales. On a cash cost basis, direct operating costs increased to \$15.5 million in Q3 2017 from \$13.6 million due to higher production volumes and increased maintenance and labour costs. On a per unit cost basis, total cost per tonne milled was lowered to \$87.86 in Q3 2017 from \$89.97 in Q2 2017. Excluding extraordinary items, however, costs totaled \$84.43 per tonne milled.

Unit costs remained higher than originally budgeted during the quarter due to delayed delivery of new equipment and a few other non-recurring cost items. Unit costs are expected to improve in Q4 2017 and into 2018, with some cost savings expected earlier this year being shifted out into the next few quarters, including cost reductions from the replacement of the aging mining fleet and changes at the mine including infrastructure, mining methods and labour. Following additional analysis, the Company believes it will deliver an annualized cost per tonne milled of approximately \$87 for 2017, versus the original \$70 estimate. While a faster reduction in costs would have been optimal, Management is confident in exiting the year at \$80/t milled with great potential to reduce this further. Cost reduction is and will remain a primary focus of the Company.

### **Conference Call**

Management will host a conference call tomorrow, Tuesday, November 14, 2017 at 10:00 am EST. Participants may join the call by dialing North America toll free 1-833-696-8362 or 1-612-979-9908 for calls outside Canada and the U.S., and entering the participant passcode 9386218. A recorded playback of the third quarter 2017 results call will be available from 1:00 pm EST on November 14, 2017 until 1:00 pm EST on December 14, 2017 by dialing 1-855-859-2056 or 1-404-537-3406 and entering the call back passcode 9386218.

The information provided within this release should be read in conjunction with Ascendant's unaudited condensed consolidated interim financial statements and management's discussion and analysis for the three and nine months ended September 30, 2017, which are available on Ascendant's website and on SEDAR. As at January 1, 2017, the Company has changed its presentation currency to the U.S. dollar (US). All financial figures are in US dollars unless otherwise stated.

## **About Ascendant Resources**

Ascendant Resources Inc. is a Toronto-based mining company focused on its 100%-owned producing El Mochito zinc, silver and lead mine in west-central Honduras, which has been in production since 1948. Since acquiring the mine in December 2016, Ascendant has been focused on a continuous optimization program aimed at restoring the historic potential of the El Mochito mine. To date, the Company has been successful at increasing production and reducing costs with the expectation of free cash flow in the near-term. Ascendant is also focused on expanding and upgrading known resources through extensive exploration work for near-term growth. With a significant land package of 11,000 hectares and an abundance of historical data there are several regional targets providing longer term exploration upside which could lead to further resource growth. The Company is also engaged in the evaluation of producing and advanced development stage mineral resource opportunities, on an ongoing basis. The Company's common shares are principally listed on the Toronto Stock Exchange under the symbol "ASND". For more information on Ascendant Resources, please visit our website at [www.ascendantresources.com](http://www.ascendantresources.com).

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

For further information please contact:

Katherine Pryde  
Director, Communications & Investor Relations  
Tel: 888-723-7413  
[info@ascendantresources.com](mailto:info@ascendantresources.com)

Swiss Resource Capital AG  
Jochen Staiger  
[info@resource-capital.ch](mailto:info@resource-capital.ch)  
[www.resource-capital.ch](http://www.resource-capital.ch)

## **Cautionary Notes to US Investors**

*The information concerning the Company's mineral properties has been prepared in accordance with National Instrument 43-101 ("NI-43-101") adopted by the Canadian Securities Administrators. In accordance with NI-43-101, the terms "mineral reserves", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, the U.S. Securities Exchange Commission ("SEC") does not recognize them. The reader is cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of any inferred mineral resource will ever be upgraded to a higher category. Therefore, the reader is cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of a measured or indicated mineral resource will ever be upgraded into mineral reserves.*

*Readers should be aware that the Company's financial statements (and information derived therefrom) have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards. IFRS differs in*

some respects from United States generally accepted accounting principles and thus the Company's financial statements (and information derived therefrom) may not be comparable to those of United States companies.

### **Forward Looking Information**

This news release contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian securities legislation. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Company with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this news release is qualified by this cautionary note.

Forward-looking information in this news release includes, but is not limited to, statements regarding the potential of free cash flow, growth, improved head grades and production and improved costs. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by Ascendant at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that Ascendant identified and were applied by Ascendant in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to, obtaining free cash flow, increasing growth, improvement of head grades and production, improvement in costs, and other events that may affect Ascendant's ability to develop its project; and no significant and continuing adverse changes in general economic conditions or conditions in the financial markets.

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, risks generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation), the company's ability to obtain free cash flow from its operations, the ability to improve head grades, production and costs, uncertainties related to the development and operation of Ascendant's projects, dependence on key personnel and employee and union relations, risks related to political or social unrest or change, rights and title claims, operational risks and hazards, including unanticipated environmental, industrial and geological events and developments and the inability to insure against all risks, failure of plant, equipment, processes, transportation and other infrastructure to operate as anticipated, compliance with government and environmental regulations, including permitting requirements and anti-bribery legislation, volatile financial markets that may affect Ascendant's ability to obtain additional financing on acceptable terms, the failure to obtain required approvals or clearances from government authorities on a timely basis, uncertainties related to the geology, continuity, grade and estimates of mineral reserves and resources, and the potential for variations in grade and recovery rates, uncertain costs of reclamation activities, tax refunds, hedging transactions, as well as the risks discussed in Ascendant's most recent Annual Information Form on file with the Canadian provincial securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com).

Should one or more risk, uncertainty, contingency or other factor materialize, or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, the reader should not place undue reliance on forward-looking information. Ascendant does not assume any obligation to update or revise any forward-looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.