

# Coro Announces Positive Conclusions from Berta Project Preliminary Economic Assessment

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sep 15, 2014) - [Coro Mining Corp.](#) ("Coro" or the "Company") (TSX:COP) is pleased to announce the conclusions from the Berta copper project ("the Project") National Instrument 43-101 Technical Report ("the Report") being finalized by independent consultants Geoinvestments SpA ("Geoinvestments") of Santiago, Chile. The Project is located in the III Region of Chile and is owned by SCM Berta ("SCMB") a Chilean company whose shareholders are Coro and ProPipe SA ("ProPipe"), an engineering firm based in Santiago, Chile.

As announced in the Company's news release NR14-10 on September 3 2014, SCMB and Inmobiliaria y Constructora Fundart Ltda ("Fundart"), a local construction group, have executed a Memorandum of Understanding ("MOU") which provides \$15m of debt financing for the development of the Berta copper resource, located approximately 20km west of the village of Inca de Oro and for the acquisition of the Nora solvent extraction and electro winning ("SXEW") plant, located 4km north of the town of Diego de Almagro and 42km north of Berta.

The shareholder's agreement between ProPipe and Coro has been executed, and ProPipe's interest in SCMB will increase to 18% with the completion of the Preliminary Economic Assessment ("PEA"). Successful completion of the debt financing and planned acquisition of the Nora plant will further increase this to 50%.

The Report is based on the outcomes of an engineering study completed by Geoinvestments to PEA study standards. The Report includes the resources, open pit mine plan, operating and capital costs and financial analysis for the Project which contemplates the production of an average of 4.8ktpy of copper cathode for a period of 8 years. The Report was prepared in conjunction with the Berta NI 43-101 resource estimate completed by Geoinvestments, as announced in the Company's news release NR13-07 on August 7 2013, and which is available for review on SEDAR at [www.sedar.com](http://www.sedar.com). All references to \$ in this News Release are references to US\$.

## Conclusions

- In pit Measured and Indicated Resources of 17.6mt at 0.37%CuT at a cutoff grade of 0.1%CuT, equivalent to 64kt of contained copper
- Open Pit Mine Plan for total copper production of 38.3kt of copper cathode
- Mine Life of 8 years
- Average production rate of 900ktpy heap leach material plus 830ktpy dump leach material
- Base Case copper price of \$3.00/lb
- Average life of mine cash operating costs of \$2.03/lb Cu
- Initial capital costs of \$15m, including \$6.25m fixed fee contract for the Nora plant purchase and expansion, \$7m fixed fee contract for the Berta crushing circuit and leach pads construction, and \$1.75m of project loan
- Base Case pre-tax NPV (8%) of \$34.3m with an IRR of 55.2%.
- Base Case after tax NPV (8%) of \$26.6m with an IRR of 46.9%.

## Disclosure and Risks

SCMB was recently presented with the opportunity of acquiring the Nora plant from receivership at a favourable price, which would give SCMB the ability to achieve production earlier than otherwise possible, and with a significantly reduced execution risk and cost. In addition, SCMB was offered a 100% debt financing from Fundart including fixed fee, Build- Operate-Transfer ("BOT") contracts for the acquisition of

the Nora plant, and for the installation of a crushing circuit and leach pads at Berta. The debt facility would be for a repayable over a period of 5 years commencing with the production of first cathode, with a one year grace period, and would carry interest at 3% over the bank rate charged to Fundart. The Berta crushing circuit and the Nora plant would be owned and operated by Fundart until the debts have been fully paid, at which time ownership would be transferred to SCMB. Fundart would be reimbursed on a cost +10% basis for the provision of labour, spare parts and maintenance during this debt repayment period. The debt facility is anticipated to provide all of the funds required for the Berta/Nora project to produce up to 5ktpy Cu, is non-recourse to Coro and requires no equity contribution from Coro. SCMB elected to accept this financing proposal, has signed an MOU and the financing and plant purchase are expected to close on or before October 22 2014.

Subject to successful completion of this financing, SCMB will have substantially reduced the risks associated with the construction of the Project.

The opportunity to acquire the plant and accept the financing occurred while SCMB was finalizing a PEA for the Project and this has been modified to incorporate the proposed plant acquisition and revised capital and operating costs. There has been insufficient time to complete more detailed engineering studies and so the normal progression from PEA to Preliminary Feasibility Study to Feasibility Study has not been followed. Therefore, investors are cautioned that no mineral reserves have been declared and the level of confidence in the resources, metallurgy, engineering and cost estimation is not at a level normally associated with a project reaching a production decision. This may result in the production rates, copper recoveries and operating costs stated in this PEA not being realized.

Geoinvestment's assessments are preliminary in nature, mineral resources are not mineral reserves and do not have demonstrated economic viability, and there is no assurance the preliminary assessments will be realized. The outcome of this PEA may be materially affected by the closing of the financing, copper pricing, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that enable them to be categorized as mineral reserves.

## Mineral Resources

The resource estimate includes the Berta Sur deposit, and the Berta Central deposits which comprise 5 individual but adjacent deposits which have been subject to prior small scale open pit mining. The resource estimate was completed by Geoinvestments at a variety of total copper ("%CuT") grades, as shown on Table 1, below.

Table 1: Resource Estimate

Berta Project Resource Estimate											
Zone	Cutoff	Measured			Indicated			Measured & Indicated			kt
		kt	% CuT	% CuS	kt	% CuT	% CuS	kt	% CuT	% CuS	
Berta Sur & Central	0.10	16,498	0.34	0.23	8,653	0.23	0.14	25,150	0.30	0.20	4,845
	0.15	13,275	0.39	0.27	5,780	0.27	0.18	19,055	0.36	0.24	3,249
	0.20	10,487	0.45	0.31	3,336	0.35	0.23	13,822	0.43	0.29	2,039
	0.25	8,355	0.51	0.36	1,961	0.44	0.30	10,316	0.50	0.35	1,402
	0.30	6,791	0.56	0.40	1,289	0.52	0.36	8,080	0.56	0.39	932
Berta Sur	0.10	10,972	0.32	0.21	4,423	0.18	0.11	15,394	0.28	0.18	2,105
	0.15	8,853	0.37	0.25	2,800	0.21	0.13	11,653	0.33	0.22	1,296
	0.20	6,892	0.42	0.29	1,332	0.26	0.16	8,225	0.39	0.27	720
	0.25	5,385	0.47	0.33	561	0.31	0.20	5,946	0.46	0.32	343
	0.30	4,288	0.53	0.37	261	0.36	0.24	4,549	0.52	0.36	127
Berta Central	0.10	5,526	0.38	0.26	4,230	0.27	0.17	9,756	0.33	0.22	2,740
	0.15	4,422	0.45	0.31	2,980	0.33	0.22	7,402	0.40	0.27	1,953
	0.20	3,594	0.51	0.36	2,003	0.41	0.27	5,598	0.47	0.33	1,318
	0.25	2,969	0.57	0.40	1,401	0.49	0.34	4,370	0.55	0.38	1,059
	0.30	2,503	0.63	0.45	1,028	0.56	0.39	3,531	0.61	0.43	805

In order to demonstrate the potential economic viability of the Berta Sur and Central resources, a series of pit

optimizations using the Lersch & Grossmann algorithm was completed utilizing appropriate operating costs, results obtained from metallurgical test work, and a variety of copper prices. For a \$3.00/lb copper price, the optimum pits were determined to contain 17.6mt at an average grade of 0.37%CuT and an overall stripping ratio of 0.49:1, as detailed in Table 2, below.

Table 2: In-Pit Resource Estimate based on \$3/lb Cu, 0.1%CuT cutoff

Berta Project In Pit Resource											
Zone	Pit	Measured			Indicated			Measured & Indicated			Waste
		kt	% CuT	% CuS	kt	% CuT	% CuS	kt	% CuT	% CuS	
Berta Sur	Berta Sur	8,929	0.35	0.23	1,427	0.19	0.11	10,356	0.33	0.21	2,600
Berta Central	Trinchera-Salvadora	2,242	0.48	0.30	527	0.47	0.29	2,769	0.48	0.30	2,450
	Carmen-Gemela	982	0.51	0.36	562	0.38	0.26	1,544	0.47	0.32	1,850
	Nueva	219	0.43	0.29	295	0.34	0.22	514	0.38	0.25	370
	Berta II	853	0.37	0.24	150	0.36	0.23	1,003	0.37	0.24	570
	Chico	900	0.30	0.18	518	0.25	0.14	1,418	0.29	0.17	760
Berta Sur & Central	Total	14,125	0.38	0.25	3,479	0.29	0.18	17,604	0.37	0.23	8,660

## Mining, Processing and Production Plan

The Project contemplates an open pit mine to extract oxide material from the Berta Sur and Central deposits using mining contractors, followed by crushing, agglomeration and heap leaching of higher grade (>0.3%CuT) material and dump leaching of lower grade (0.1-0.3%CuT) material. The resulting pregnant leach solution ("PLS") would then be transported by tanker 60km on existing roads to the Nora SXEW plant for recovery of copper cathode. Water and raffinate would be returned by tanker from Nora to Berta. Overall material contained in the mine plan developed by Geoinvestments has 7.22mt of heap leach material, with an average grade of 0.57% CuT and 6.63mt of dump leach material with an average grade of 0.20%CuT.

A total of twelve 2m column tests have been completed on material from Berta Sur at Geomet SA and three 2m columns from Berta Central material at the Hydrometallurgy Laboratory of the University of Santiago de Chile, and this testwork was used to estimate recoveries of 78% of total copper for the heap leach and 45% of total copper for the dump leach material.

The Berta mine plan & cathode production schedule is shown on Table 3, below;

Table 3: Berta Mine Plan

Berta Mine Plan		Year								Total
		1	2	3	4	5	6	7	8	
Heap Leach	Mined, kt	992	978	942	958	921	626	985	821	7,223
	CuT%	0.50	0.50	0.56	0.57	0.57	0.92	0.59	0.50	0.57
	CuS%	0.35	0.36	0.39	0.41	0.40	0.65	0.42	0.36	0.41
	Recovery, %	78	78	78	78	78	78	78	78	78
	Cathode, kt	3.9	3.9	4.1	4.3	4.1	4.5	4.5	3.2	32.4
Dump Leach	Mined, kt	1,187	1,219	935	688	873	520	428	782	6,632
	CuT%	0.20	0.20	0.20	0.21	0.19	0.19	0.21	0.20	0.20
	CuS%	0.12	0.12	0.12	0.13	0.11	0.11	0.13	0.12	0.12
	Recovery, %	45	45	45	45	45	45	45	45	45
	Cathode, kt	1.1	1.1	0.9	0.7	0.7	0.4	0.4	0.7	6.0
Waste	Strip Ratio	0.43	0.16	0.10	0.06	1.16	1.62	0.72	0.41	0.52
	Waste, kt	933	360	187	103	2,081	1,857	1,012	653	7,186
	Mined, kt	3,112	2,557	2,064	1,749	3,875	3,003	2,425	2,256	21,041
Total	Cathode, kt	4.9	5.0	4.9	5.0	4.8	4.9	4.9	3.9	38.3

## Operating Costs

Operating cost estimates reflect the current market environment in northern Chile for contract mining, crushing, sulphuric acid, power supply, cathode production by SXEW, and transportation of PLS and water, and are shown on Table 4, below.

Major operating cost components are sulphuric acid at \$105/t, water at \$0.25/m<sup>3</sup> and power at \$280/MW for

Berta (generators) and \$150/MW for Nora (connected to grid).

Table 4: Life of Mine Operating Costs

Life of Mine Operating Cost	LOM \$m	LOM \$/lb
Mining	\$ 51.4	\$ 0.61
Processing	\$ 92.9	\$ 1.10
PLS Transport	\$ 19.9	\$ 0.24
G&A	\$ 7.4	\$ 0.09
Cash Cost C1	\$ 171.7	\$ 2.03

## Capital Costs

SCMB is in the process of closing the acquisition of the Nora plant and obtaining \$15m of debt financing, on or before October 22 2014 to complete the following capital expenditures;

- Nora Plant Purchase and Expansion; \$6.25m fixed fee BOT contract to cover the purchase price and the expansion from 3,000tpy to 5,000tpy copper cathode of the SXEW circuit
- Berta Crushing Circuit and Pads construction; \$7m fixed fee BOT contract to cover the installation of a 1mtpy crusher and agglomerator, heap and dump leach pads, and associated piping, ponds, electrics and infrastructure
- A project loan; \$1.75m, including \$0.25m which has been advanced as an option payment to the Berta claim owner

## Pre-Financing Financial Analysis

The Project has been evaluated on both a pre-tax basis and after all Chilean taxes and a 1.5% royalty due to the Berta claim owner at a base case copper price of \$3.00/lb and for sensitivity, at prices of \$3.30/lb and \$2.70/lb as shown on Table 5.

Table 5: Berta Economic Evaluation Summary

Cu Price	\$3.30/lb		\$3.00/lb		\$2.70/lb	
	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax
NPV						
5%	\$60.8	\$48.0	\$41.5	\$32.6	\$22.2	\$17.1
8%	\$51.0	\$40.0	\$34.3	\$26.6	\$17.6	\$13.2
10%	\$45.5	\$35.5	\$30.2	\$23.3	\$14.9	\$11.0
IRR	75.8%	64.0%	55.2%	46.9%	33.7%	28.8%

## Project Upsides

The spent ore stockpile from the previous period of plant operation at Nora contains potentially recoverable copper and SCMB has also identified some potentially available dump material within trucking distance of the plant, both of which will be evaluated as feed for the plant in early 2015 while Berta is being developed. However, this economic evaluation assumes that there will be no copper production at the Nora plant until the Berta facilities have been installed.

SCMB will also evaluate alternatives to trucking water, raffinate and PLS between Nora and Berta, including installing a pipeline between them.

## Berta NI43-101 Technical Report

Geoinvestments managed the preparation of the Report which will be completed and filed on SEDAR and Coro's web site within 45 days of this release. All principal technical personnel and Qualified Persons ("QP") participating in the development and review of this Report have extensive relevant experience.

The QP responsible for the independent resource estimate at Berta was Sergio Alvarado, a consultant geologist with more than 27 years of experience and general manager and partner of Geoinvestments SpA. He is a member of CIM, the Chilean Mining Commission, and the Instituto de Ingenieros de Minas de Chile.

The information that relates to geology, mineralization, drilling, and mineral resource estimates on the Berta deposit, is based on information prepared under the supervision of, or has been reviewed by Sergio Rivera, Vice President of Exploration, [Coro Mining Corp.](#), a geologist with more than 30 years of experience and a member of the Colegio de Geólogos de Chile and of the Instituto de Ingenieros de Minas de Chile and a QP. Jaime Simpson, a metallurgical engineer with more than 25 years of experience and employed by ProPipe as Development and Research Manager, was responsible for supervising the metallurgical test work and estimated the copper recoveries. Victor Araya, a civil mechanical engineer with over 15 years of experience in project development and management, and a board member of ProPipe and partner companies, was responsible for the engineering design and capital cost estimates. Oscar Rosas, a metallurgical engineer with more than 27 years of experience and General Manager of SCM Berta was responsible for the operating cost estimates and the financial analysis reported herein. Sergio Alvarado was responsible for the overall compilation of the PEA Study, is the QP for purposes of National Instrument 43-101, and has approved the Information contained in this News Release. Alan Stephens FIMMM, President and CEO of Coro, a geologist with more than 39 years of industry experience is the QP for Coro who has reviewed and approved the contents of this News Release.

The technical information has been included herein with the consent and prior review of the above noted QPs, who have verified the data disclosed, including sampling, analytical and test data underlying the information or opinions contained herein.

All mineral resources have been estimated in accordance with the definition standards on mineral resources and mineral reserves of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") referred to in National Instrument 43-101, commonly referred to as NI 43-101. U.S. reporting requirements for disclosure of mineral properties are governed by the United States Securities and Exchange Commission ("SEC") Industry Guide 7. Canadian and Guide 7 standards are substantially different. This News Release uses the terms "measured," "indicated" and "inferred" resources. We advise investors that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

### **About Fundart**

Fundart is a Chilean construction group formed in 1996 by the architect Patricio Rodriguez Bass. Since then, it has completed over 400 construction projects with a total of 700,000 square metres built in a variety of works throughout Chile. The principal areas of activities include the construction of apartment buildings, housing and retail complexes, and commercial buildings as well as development and construction projects in the copper mining industry. Fundart employs 40 professional staff and has a workforce of more than 700 who have been well trained to implement the latest generation of construction technology and processes.

### **About ProPipe**

ProPipe is a Chilean supplier of consultancy, engineering and project management services to its customers in the mining process, infrastructure and environment markets. ProPipe have relevant experience in conceptual and basic design, preliminary feasibility and feasibility studies, and detailed engineering for mining companies in Chile. Some of its principal clients are BHP Billiton (Minera Escondida), Antofagasta Minerals (Minera Los Pelambres, Minera El Tesoro, and Minera Esperanza), Minera Las Cenizas and Algorta Norte. ProPipe's recent projects include the Camarones 7,000tpy copper cathode plant, the Algorta Norte 78 km sea water pipeline, and Minera Escondida's Coloso filter plant expansion project.

### **About Coro**

Coro's strategy is to grow a mining business through the discovery, development and operation of "Coro type" deposits. These are defined as projects at whatever stage of development, that are well located with respect to infrastructure and water, which have low permitting risk, and which have the potential to achieve a short and cost effective timeline to production. Our preference is for open pit heap leach copper projects, where we will seek to minimise capital investment rather than maximise NPV, where we will prioritise profitability over production rate, and finally, where the likely capital cost is financeable relative to our market capitalization. Partners will be sought for any attractive projects identified that we do not have the financial capacity to develop alone. Coro's properties include the Berta pre-production project, the Planta Prat copper development project, the Celeste Sur iron ore project and the Marimaca & Llancahue copper exploration

prospects, all located in Chile. The advanced San Jorge copper-gold project located in Argentina has been optioned to Aterra Capital and Solway Industries.

## **CORO MINING CORP.**

**Alan Stephens**

**President and CEO**

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Such forward-looking statements or information, including but not limited to those with respect to the proposed financing, construction and operation of the Berta project including the acquisition and operation of the Nora plant, metal prices, metallurgical results and resource estimates, involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such factors include, among others, the actual price of copper, the factual results of current and future exploration, development and mining activities, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's documents filed from time to time with the securities regulators in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

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