

Copper Fox Metals Inc. Announces Fourth Quarter Highlights and 2010 Year-End Financial Results

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VANCOUVER, Feb. 15 /[CNW](#)/ - [Copper Fox Metals Inc.](#) ("Copper Fox" or the "Company") (TSXV: CUU) announces its operating results for 2010 fourth quarter and year-end results. The Company has made considerable progress toward completing the Environmental Assessment Application, an updated National Instrument 43-101 compliant resources estimate and completion of the feasibility study. Copper Fox incurred a net loss for the fourth quarter of \$421,346 (\$0.00 loss per share) and a loss of \$1,614,027 (\$0.01 loss per share) for the year ended October 31, 2010. Copies of the financial statements and notes and related management discussion and analysis may be obtained on SEDAR at [www.sedar.com](#), the Company web site at [www.copperfoxmetals.com](#) or by contacting the Company directly. All amounts are in Canadian dollars unless otherwise stated.

Copper Fox's main asset is 100% working interest of Schaft Creek, one of the largest undeveloped copper-molybdenum-gold-silver porphyry deposits in Canada located in northwest British Columbia.

Schaft Creek - A New Perspective:

The recent discovery of high-grade copper-gold mineralization at depth below the Red Chris porphyry deposit located in northwest British Columbia has changed the thinking related to the possibility of finding deep higher grade mineralization below what typically was thought to be moderate to low grade porphyry deposits.

The depth of the pre-2010 drilling at Schaft Creek averaged 226m, a very shallow depth in terms of porphyry deposits. The work completed in 2010 clearly shows a large zone of higher grade mineralization at depth which could have significant depth extent, possibly in excess of 800m at the north end of the Schaft Creek deposit.

The majority of the resources defined to date at Schaft Creek are in what was formerly referred to as the Liard Zone. The 2010 geophysical program and the pre 2010 drilling results strongly suggest this zone occurs on the flank of the deposit and the former Paramount Zone, at the north end of the deposit is the core of the porphyry system, where deep and higher grade mineralization would be expected to occur. So far, the 2010 drilling completed in the Paramount Zone supports this interpretation.

Feasibility Study - Strategy:

The value of a mineral project has two major components, the Net Present Value of the mineral deposit based on a feasibility study and the value related to the potential of finding additional mineralization. Copper Fox identified four aspects of the preliminary feasibility study that would have a direct impact on improving the economics of the Schaft Creek deposit. These are: i) "a higher-grade" starter pit, ii) increased daily milling rate, iii) reduced capital costs, and iv) a realistic resource estimate geared toward maximizing the economic return/benefits of the Schaft Creek deposit over the life of mine.

The above four points are being assessed in the feasibility study currently underway. Due to the limited amount of drilling completed, only a portion of the deep zone of higher grade mineralization intersected in 2010 will be included in the resource estimate. After completion of the feasibility study additional drill testing of the deep zone of higher grade mineralization is being considered and if successful, is expected to add considerable value to the Schaft Creek mineral property.

Less than 1,500 acres of the 50,000 acre Schaft Creek property has been explored using modern exploration techniques. To identify/add value over and above that established by the feasibility study, Copper Fox is considering the merits of completing a high sensitivity airborne geophysical survey over the entire Schaft Creek property to identify other potential areas of porphyry style mineralization.

Highlights

During the quarter, Copper Fox's activities focused on completing the work necessary to update the resource estimate and the feasibility study on the Schaft Creek deposit. Field work completed in the quarter included prospecting, mapping, compilation of historical data, a second geophysical survey, diamond drilling and additional environmental baseline studies.

Field Activities:

- six diamond drill holes were completed in an area that measures approximately 600m by 200m wide to outline a "higher-grade" starter pit;
- the drilling intersected an intrusive breccia of unknown thickness and strike length at depth that contains significantly higher grades of copper-gold-molybdenum-silver. This higher-grade zone is open at depth and to the east under Mount LaCasse;
- the Induced Polarization/Resistivity (chargeability) anomaly outlined by the geophysical surveys completed in 2010 strongly suggest that the Schaft Creek mineral deposit extends a significant distance to the north, the east and at depth beyond the limits of the diamond drilling; and
- environmental baseline studies show that the Schaft Creek deposit contains a very low amount (estimated 5%) of potential acid generating rock and that the streams in the immediate vicinity of the proposed open pit mine, waste rock storage areas and tailings areas are non fish bearing.

Feasibility Study:

A considerable number of the studies required for the feasibility study were completed during the quarter. The feasibility study is expected to be completed by the end of June 2011. During the quarter, Wardrop, a Tetra Tech Company, and the main contractor for the feasibility study, finalized the site layout, mill design, reagent, maintenance and explosive facilities, road system, metallurgical process, expected mill recoveries and the options available to the Company for transportation and shipping facilities of bulk concentrate for smelting and refining. Quotes from suppliers for the main components of the feasibility study were requested and are expected to be received before the end of March 2011.

Knight Piesold completed the designs for the Tailing Storage Facility, the tailings pipeline, reclaim water for the processing plant and site water management parameters. The sites for the milling and maintenance facilities and other components of the infrastructure were finalized during the quarter.

BGC Engineering completed the potential geo-hazards assessment for the road and power line access to Schaft Creek.

Resource Estimation:

All the technical work required for an updated resource estimate has been completed. The Company is working with its contractors to complete the resource update before the end of March 2011. One of the key components of a feasibility study is the average grade of the metals contained in the resource estimate. Small increases in metal content in large porphyry deposits such as Schaft Creek can have a significant impact on the Net Present Value of the deposit. With the strong possibility of including higher grade mineralization into the resource estimate, completion of the resource estimate was deferred to include the assay results from the 2010 diamond drilling and core re-sampling program. These assays have been received and are undergoing QA/QC testing prior to delivery to AMEC Americas Limited (AMEC).

AMEC will use this data base in conjunction with the other tests and work complete to date to complete the final phases of the resource estimate which is expected by the end of March 2011.

Environmental Assessment Process:

During the quarter, Copper Fox worked with the Tahltan Heritage Resources Environmental Assessment Team and provincial and federal regulators to finalize the Application Information Requirements (AIR - formerly the Terms of Reference) for the Environmental Assessment (EA) Application for the Schaft Creek project. The collection of environmental base line data including detailed environmental and socio-economic studies related to development of the Schaft Creek deposit continued during the quarter.

The AIR is the last major milestone in the pre-Application stage of the environmental assessment process for

the Schaft Creek project. The approval for the terms and conditions of the AIR was received on February 7, 2011. Copper Fox expects to obtain a BC Environmental Assessment Certificate and an approval under the Canadian Environmental Assessment Act in the fourth quarter of 2011.

Stantec Consulting Ltd. (Stantec) has been contracted to assemble the environmental data collected over the past five years and to prepare the Environmental Assessment (EA) Application for the Schaft Creek project. Copper Fox's goal is to minimize the impact on the environment and develop the Schaft Creek deposit in an environmentally responsible manner.

Selected Financial Information:

During the year, Copper Fox received \$9.5 million in cash from the exercise of warrants and incurred an additional \$11.5 million of capital expenditures related to the Schaft Creek Project.

	Net Loss		Net (loss)/income per share - basic and diluted
2010			
Fourth Quarter	\$	(421 , 346)	\$ 0.00
Third Quarter	\$	(436 , 792)	\$ 0.00
Second Quarter	\$	(309 , 067)	\$ 0.00
First Quarter	\$	(446 , 822)	\$ 0.00
2009			
Fourth Quarter	\$	1 , 533 , 575	\$ 0.01
Third Quarter	\$	(491 , 057)	\$ 0.00
Second Quarter	\$	(431 , 763)	\$ 0.00
First Quarter	\$	(29 , 135 , 359)	\$ (0.28)

Liquidity and Capital Resources:

The Company's working capital, defined as current assets less current liabilities, was (\$836,755) at October 31, 2010, (2009 - \$2,544,341), (2008 - (\$2,059,026)). The Company has sufficient funds available to meet its current obligations. Subsequent to year end the Company completed a further \$4,005,000 financing.

During the year, 108,052,553 warrants were exercised at a strike price of \$0.075 and 11,888,341 warrants were exercised at a strike price of \$0.115 for total proceeds of \$9,471,100.

The Company has in place a budget process to determine the funds required for the completion of the feasibility study. At October 31, 2010 the Company had spent approximately \$54.5 million of qualifying expenditures toward this study, which increased to \$57.2 at December 31, 2010. The Company will require additional capital to complete this study and to provide for the administration of its Vancouver and Calgary offices. The Company believes that it will be able to raise the capital required to complete the feasibility study

through the continued exercise of its outstanding options or through the public market as required.

About Copper Fox

Copper Fox is a Canadian based resource company listed on the TSX-Venture Exchange (CUU) focused on completing a Feasibility Study on the Schaft Creek deposit, one of the largest undeveloped copper, gold, molybdenum and silver deposits in North America. Categorized as a "giant porphyry deposit" this project is at the advanced development stage with a Preliminary Feasibility Study ("PFS") prepared by Samuel Engineering, Inc. of Denver, Colorado, in September 2008. The results of the PFS were extremely "robust" reporting a NPV @ 8% (before tax) of \$2.8 billion dollars over a 23 year mine life. They contemplated processing 100,000 tonne per day ("tpd") from an open pit mine using a standard flotation recovery process. The PFS estimated the current Mineral Resources (using a 0.2% copper equivalent cutoff) at Schaft Creek includes; Measured Resources of 436.5 million tonnes grading 0.30% copper, 0.23 g/t gold, 0.02% molybdenum and 1.55 g/t silver, Indicated Resources of 929.8 million tonnes grading 0.23% copper, 0.15 g/t gold, 0.02% molybdenum and 1.56 g/t silver.

A Feasibility Study on a minimum 120,000 tpd open pit mine is expected to be completed by the end of June 2011.

Copper Fox holds title and a 100% working interest in a contiguous 21,025 hectares (51,954 acres) property which includes the Schaft Creek deposit subject to certain royalty agreements, a 30% carried interest held by Laird Copper and an earn back option held by Teck Resources Limited ("Teck"). Copper Fox is currently earning a 78% interest in Laird Copper from Teck. Teck's earn back option to acquire 20%, 40% or 75% of the Schaft Creek project is triggered upon completion of a positive Feasibility Study. Should Teck elect to exercise its option for 75% they are required to fund subsequent property expenditures up to a total of 400% of those incurred by Copper Fox (\$57.2 million as of December 31, 2010) and arrange for project financing, including the Copper Fox portion. For full details of the option please refer to the Company's website www.copperfoxmetals.com.

*United States investors are advised that current Mineral Resources are not current Mineral Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and in keeping with "best practice principles".

Elmer B. Stewart, MSc. P. Geol., President of Copper Fox, is the Company's nominated Qualified Person pursuant to National Instrument 43-101, Standards for Disclosure for Mineral Projects, has reviewed the technical information disclosed in this news release.

On behalf of the Board of Directors

Elmer B. Stewart
President & Chief Executive Officer

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

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of the Canadian securities laws. Forward-looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "budgets", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this news release include statements about the timing of completion, scope of and anticipated results for an Environmental Assessment Application, an updated National Instrument 43-101 compliant resources estimate and a feasibility study for the Schaft Creek project; anticipated timing and results of geophysical surveys (including the possibility of completing a high sensitivity airborne geophysical survey over the entire Schaft Creek project) and drilling programs; the possibility of discovering deep higher grade mineralization on the Schaft Creek project; the possibility that the Schaft Creek mineral deposit extends a significant distance to the north, the east and at depth beyond the limits of diamond drilling; the timing of receipt of quotes from suppliers for the main components of the feasibility study; the continued financing of the Feasibility Study; estimated timing and amounts of future expenditures; the availability of additional financing through exercise of

outstanding options or through the public market; estimated timing and amounts of future expenditures and "earn-back" options; geological interpretations and potential mineral recovery processes. Information concerning mineral reserve and resource estimates also may be deemed to be forward-looking information in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined.

The forward-looking information contained in this news release, Copper Fox has made numerous assumptions, regarding, among other things: the geological, metallurgical, engineering, financial and economic advice that Copper Fox has received is reliable, and is based upon practices and methodologies which are consistent with industry standards; and the continued financing of the Copper Fox's operations, including the preparation and completion of the Feasibility Study. While Copper Fox considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies. Additionally, there are known and unknown risk factors which could cause Copper Fox's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: the completion of the Environmental Assessment Application, an updated National Instrument 43-101 compliant resources estimate and a feasibility study for the Schaft Creek project may not occur on a timely basis, or at all, or yield expected results; geophysical surveys (including the possibility of completing a high sensitivity airborne geophysical survey over the entire Schaft Creek project) and drilling programs may not occur on a timely basis or at all; fluctuations in copper and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for co-operation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals.

A more complete discussion of the risks and uncertainties facing Copper Fox is disclosed in Copper Fox's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com. All forward-looking information herein is qualified in its entirety by this cautionary statement, and Copper Fox disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

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