

Romarco Minerals Inc. announce positive Feasibility Study for Haile Gold Mine Project

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TORONTO, Feb. 9 /[CNW Telbec](#)/ - [Romarco Minerals Inc.](#) (TSX: R) (the "Company") is pleased to announce positive Feasibility Study results for its 100% owned Haile Gold Mine Project in Lancaster County, South Carolina, USA. The Feasibility Study was compiled by M3 Engineering & Technology Corporation ("M3") with the participation and contribution of Independent Mining Consultants ("IMC") and AMEC Americas Limited ("AMEC"). All figures are in US dollars.

The Company is also pleased to announce estimates of additional mineral potential that exists outside of the recently reported \$1,200 per ounce gold in-shell resource that are not included in the Feasibility Study. Please see the section below titled "Potential Mineral Deposits" for details. Haile continues to remain open in all directions and at depth with significant potential for continuing to increase resources and reserves.

Highlights of the Feasibility Study (base case at \$950/oz gold):

- * One of the lowest capital cost, lowest operating cost and highest-grade open-pit gold mines in the industry
 - o Capital costs of \$275 million
 - o Average cash cost (after by-product credit) of \$347 per ounce first five years
 - o Reserve grade of 2.06 grams/tonne
- * Proven and probable reserves of 2.0 million contained ounces of gold
- * Robust project economics
 - o At \$950 gold, pre-tax net present value (NPV) at 5% discount of \$279 million and internal rate of return (IRR) of 19.6%
 - o At \$1,300 gold, pre-tax NPV (5%) is \$693 million; 37.6% IRR - see table below for sensitivities at various gold prices
- * Mine life in excess of 13 years at a mill throughput of 7,000 tons per day (tpd)
 - o First year production of 172,000 ounces of gold
 - o First 5 years production average 150,000 ounces gold per year
- * Average 83.7% gold recovery
- * Life of mine (LOM) strip ratio of 7.2:1
- * The Feasibility Study does not include:
 - o Horseshoe, Snake Deep, West Ledbetter and some portions of Mill Zone, Small and Champion deposits.
 - o Inferred resources in the \$950 pit
 - o These zones required additional drilling and are the target of the 2011 exploration program.
- * The project will be designed and constructed to meet the International Cyanide Management Code standards

Proven and probable reserves and the mine plan were calculated using a \$950 per ounce gold price and drill data from the most recently reported in-shell resource (calculated at \$1,200 per ounce gold with drill results through September 30, 2010). The project has been specifically designed to facilitate expansion early in the mine life. Studies are currently being conducted to evaluate both open-pit and under-ground expansion alternatives.

Once the necessary permits have been received and financing is in place, Romarco plans to proceed immediately with the construction and commissioning of the project as the first phase of development in the Haile district. Detailed design work is currently underway on the project.

Development of the Haile project will deliver significant, positive impact on the economies of Lancaster and Kershaw counties, and the state of South Carolina. Romarco anticipates directly employing approximately 500 persons at site during construction and approximately 300 persons on a sustaining basis once in

production. Future expansions at Haile would require additional personnel. The Company will continue to hire locally and use local and regional suppliers as it has over the past three years. The Company currently spends in excess of \$1 million per month locally, including wages. Contractors and consultants provide additional economic benefits. The multiplier on the economic impact of Haile to the local community and county will be significant.

Financial Analysis

The financial analysis for the Base Case (\$950 gold and \$18 silver) indicates a pre-tax NPV at a 5% discount rate of \$279 million with an IRR of 19.6% and a payback period of 4.2 years. On an after-tax basis, the NPV at a 5% discount rate is \$191 million with an IRR of 15.7%. The base case is expected to generate \$508 million in pre-tax operating cash flow.

Table 1 below outlines gold price sensitivities for the pre-tax NPV and IRR of the Haile Gold Mine project:

Table 1: Pre-tax NPV and IRR Sensitivity to Gold Price (\$ Millions, except gold price)

Gold Price per oz Years	NPV @ 0%		NPV @ 5%		NPV @ 10%		IRR %
\$1,500	\$1,426	\$930	\$621	47.0%	2.0		
\$1,400	\$1,259	\$812	\$534	42.3%	2.2		
\$1,300	\$1,092	\$693	\$447	37.6%	2.4		
\$1,200	\$925	\$575	\$359	32.7%	2.7		
\$1,100	\$758	\$457	\$272	27.6%	3.1		
\$1,000	\$591	\$339	\$185	22.3%	3.8		
\$950	\$508	\$279	\$141	19.6%	4.2		
\$800	\$257	\$102	\$10	10.7%	7.6		
\$700	\$90	-\$16	-\$77	4.0%	9.4		

Haile Mineral Reserves and Resources

The open pit mineral reserves and resources were completed by Independent Mining Consultants (IMC), with John Marek, P.E. acting as the Qualified Person (QP) for the calculations. The proven and probable reserves were developed from the block model and the mine plan using a gold price of \$950 per ounce. The mineral reserve is the total of all proven and probable category mineralization in the Feasibility mine plan.

The floating cone algorithm provided guidance to the design of the pushbacks and the final pits. Multiple cones at a range of metal prices were run in order to determine the best place to start mining, initial pit openings, and guidance to final pit geometries.

The mineral reserves and resources are summarized in Table 2 and Table 3 below:

Table 2: Proven and Probable Reserves @ \$950/oz Gold

Category	Metric tonnes (000s)	Grade g/tonne	Short tons (000s)	Grade oz/ton	Contained oz (000s)	Recovered oz (000s)	
Proven	19,592			2.19		21,596	0.064
Probable		10,917		1.82	12,034	0.053	636
Proven+Probable		30,509		2.06	33,630	0.060	2,018

Table 3: In-Shell Resources @ \$1,200/oz Gold*

Category	Metric tonnes (000s)	Grade g/tonne	Short tons (000s)	Grade oz/ton	Contained oz (000s)			
Measured		27,782		1.89	30,624		0.055	
Indicated	25,596		1.75		28,215	0.051	1,439	
Measured+Indicated		53,378		1.82	58,839		0.053	3,1
Inferred	24,944		1.34		27,496	0.039	1,072	

**Previously released November 2, 2010 and filed December 14, 2010 on SEDAR.*

Exploration Potential - Potential Mineral Deposits

Significant upside potential exists within and surrounding the Haile mineralized system, which continues to remain open in all directions and at depth. The Company's focus is to expand the resource within and near known deposits, upgrade inferred mineral resources, and discover new deposits in areas surrounding the known deposits where drilling is sparse. Romarco will also begin exploring further along trend, stepping easterly of the Horseshoe zone, and westerly of the Champion and 601 areas that are over 1 km west of South Pit. Additionally, as the Company continues to expand its land position throughout the district, exploration drilling will be initiated to evaluate these prospective new target areas. Romarco's regional exploration team has identified several new target areas beyond the Haile system with historical drilling, and in some cases existing historical resources. The 2011 exploration program consists of 110,000 meters of both RC and core drilling.

Potential mineral deposits within the proposed mine site were created in order to estimate potential zones of gold mineralization outside of the in-shell resource estimate (\$1,200 gold). These zones are based on trends, geology, and scattered drilling. It should be recognized that these zones list only the areas where current knowledge of Haile's mineralization is sufficient to indicate that these zones are viable targets. These potential mineral deposits represent a small portion of the Haile property. There are numerous additional targets at Haile that are not listed here. Therefore, these tonnages and grades should not be construed as minimums or maximums. Independent Mining Consultants (IMC) has reviewed the geometries and procedures applied by Haile in developing the potential mineral deposits. As a result, IMC holds the opinion that those procedures are a reasonable means to establish range estimates of potential quantities and grades for future drill targets.

The conceptual estimates were based on projecting potential mineralized zones through areas with limited drill information. The zones were developed by constructing 3-dimensional wireframes using Vulcan mine planning software and a minimum grade of 0.34 g/t.

Quantity ranges were estimated using two scenarios: Scenario A used geologic inference to determine the orientation and extent of the zones along known mineralized trends based on the Haile geologic model and current drill results. Scenario B excluded the distal portions of the potential mineralized zones. Ranges of grade were assigned to the potential mineralized zones using two cases: Case A applied the average grade for zones within the \$1,200 per ounce gold shell to the adjacent zones outside the shell, and Case B was determined by taking an arithmetic average of all the drill composites within each zone outside the \$1,200 per ounce gold shell. It should be noted that averaging all composites has a tendency to reduce the grade versus resource techniques that discard low-grade intervals.

The resulting potential ranges of quantities and grades listed below are conceptual in nature based on geologic knowledge, interpretation and wireframes. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in any of the targeted areas being delineated as a mineral resource. The Company currently plans to focus on further exploration drilling within these potential mineral deposits during 2011 and beyond. Tables 4.1 (Imperial Units) and 4.2 (Metric Units) display the potential mineral deposits at Haile.

Table 4.1: Potential Mineral Deposits (Imperial Units)

Zone	Scenario A	Scenario B	Case A	Case B	
	tons (000s)	tons (000s)	oz/t	oz/t	
Horseshoe	18,200	15,384	0.099	0.061	
Ledbetter	24,000	19,381	0.069	0.025	
Snake	4,372	3,777	0.058	0.034	
Chase Hill	1,800	1,670	0.031	0.027	
Mill Zone	2,000	1,734	0.043	0.038	
Small	5,555	4,573	0.019	0.018	
601 Area	7,348	5,970	0.026	0.024	
Champion	7,335	5,476	0.028	0.024	
Total	70,610	57,965	0.062	0.034	

Table 4.2: Potential Mineral Deposits (Metric Units)

Zone	Scenario A	Scenario B	Case A	Case B	
	tonnes (000s)	tonnes (000s)	g/t	g/t	
Horseshoe	16,511	13,956	3.39	2.09	
Ledbetter	21,772	17,582	2.37	0.86	
Snake	3,966	3,426	1.99	1.17	
Chase Hill	1,633	1,515	1.06	0.93	
Mill Zone	1,814	1,573	1.47	1.30	
Small	5,039	4,149	0.65	0.62	
601 Area	6,666	5,416	0.89	0.82	
Champion	6,654	4,968	0.96	0.82	
Total	64,055	52,585	2.11	1.18	

Mining and Production

Romarco plans to use conventional open pit mining methods. A combination of hard rock and soft rock will be encountered in the deposit during the mining process. The majority of the material from the mine will be hard rock, which will be drilled and blasted prior to loading. The initial mining fleet consists of fourteen 100-ton haul trucks, two 15 cu yd front-end loaders, and one 14.4 cu yd hydraulic front shovel, with various support equipment. The mine plan produces 2.55 million tons of ore per year for delivery to the process plant (7,000 tpd). A variable cutoff grade strategy was utilized for the mining schedule in order to provide higher-grade mill feed during the early years, while stockpiling low-grade material to be processed at the end of the project life. The pit design is based on variable pit slope angles. The inter-ramp slope angles utilized are 49 degrees for the north walls, 38 to 45 degrees for the south walls, 40 degrees in the saprolite, and 27 degrees for the coastal plains sand.

Metallurgy and Processing

The plant design incorporates conventional precious metals recovery processes including jaw crushing, semi-autogenous and ball milling, flotation, fine grinding of the flotation concentrate, and carbon-in-leach cyanidation. The plant will process nominal 7,000 tpd based on 92% plant availability. Gold recovery is calculated at 83.7% based on an average head grade of 2.06 g/t. Primary grind product size is estimated at P80 = 74 microns. Fine grind product size of the flotation concentrate is estimated at P80 = 15 microns. Nominal leach times for flotation tailing and flotation concentrate are 20 hours and 40 hours respectively. The design is based on numerous tests that were conducted at various laboratories, including Resource Development Inc. located in Denver, Colorado. Final plant tailing will be stored in a conventional tailing facility. Well-proven and commercially applied sulfur dioxide/air cyanide destruction technology will be used as needed to ensure tailing meets International Cyanide Management Code standards.

Land and Infrastructure

The Haile property is situated 4.8 kilometers northeast of the Town of Kershaw in Lancaster County, South Carolina, USA. The site is roughly one hour south of Charlotte, North Carolina and one and one half hour northeast of Columbia, South Carolina. The project is somewhat unique in that it is situated wholly on private land 100% owned fee simple (surface, water, and mineral rights) and no royalties. Private lands, unlike federal (BLM or USFS) lands are not subject to the proposed amendment of the 1872 mining law imposing

federal royalties on mining properties. To date the Company's land position is approximately 8,000 acres.

The proximity to existing infrastructure reduces project costs because the project is easily accessible and there is adequate housing, power, phone, and water. Natural gas, sanitary sewer, and potable water lines run along Highway 601, which borders the Haile property to the west. Haile has two sources of power available to it - Duke Energy and Lynches River Power Cooperative. The power transmission infrastructure is well established, and less than 8 kilometers of new Duke or Lynches River service will be required.

Operating Costs

The cash operating costs are provided in Table 5 below. Life of mine (LOM) unit costs per ton of ore is \$18.92 and the unit cost per ounce of gold produced is \$379 including by-product credits. The G&A component of the cash operating costs includes property taxes of \$0.62 per ton of ore, or \$12.51 per ounce.

Table 5: Cash Operating Costs

	\$ per ton of ore		\$ per ounce of gold	
Mining	9.62	192.84		
Processing	7.67	153.61		
G&A	2.26	45.28		
Shipping/Refining		0.17	3.50	
Sub-Total	19.72	395.23		
By-product (Silver) Credit		(0.80)	(15.96)	
Total After By-product Credit		18.92	379.27	

Opportunities

- * Conversion of measured and indicated as well as inferred resources within the \$1200 shell
- * Infill drilling to connect the pit bottoms of South Pit, Ledbetter, and Snake could lead to a lower overall strip ratio and increased gold ounces
- * Continued expansion of the high grade Mill Zone to maintain higher production levels beyond the first year
- * A throughput expansion early in the mine life to improve project economics
- * Further exploration:
 - o at Horseshoe to develop higher grade underground potential
 - o between Snake Deep and Horseshoe to connect mineralization
 - o stepping out in all directions
- * Completion of the underground scoping study at Horseshoe for possible expansion scenario - this higher grade ore would lead to increased production and grade
- * Completion of analysis on tax matters including applying prior net operating losses to operations

Risks

- * Fluctuation in commodity prices
- * Increased costs or delayed availability of equipment
- * Timing of permits
- * Timing and availability of financing

Qualified Persons for Feasibility Study

The Feasibility study was prepared by leading independent industry consultants, all Qualified Persons (QP) under National Instrument (NI) 43-101, with the collaboration of the Romarco technical group. The QP's have reviewed and approved the content of this news release. Table 6 below details the following consultants that participated in the study:

Table 6: Professional Qualifications

Responsibility Qualified Person Registration Company
 Process Plant Cost & Principal Author Joshua Snider PE M3
 Process & Metallurgy Thomas L. Drielick PE M3
 Environmental & Permitting Lee "Pat" Gochnour MMSA G&A
 Resources Modeling, Potential Mineral Deposits, Mine Planning, Reserves, & Geology John Marek PE IMC

Tailing, Overburden & Site Water Management Derek Wittwer PE AMEC

An updated NI 43-101 compliant technical report reflecting additional information in the Feasibility Study will be filed on the Company's website and on SEDAR as soon as it is completed.

Conference Call

Romarco will hold a conference call tomorrow (Thursday, February 10, 2011) at 10 am EST where senior management will discuss the Feasibility study and respond to questions from analysts and investors. To join the call:

In Canada and the United States - 1-877-974-0445
International - 416-644-3426

The conference call will be recorded and playback of the call will be available after the event by dialing toll free in Canada and the United States 1-800-642-1687, or locally 416-640-1917, pass code 4409867# (available up to February 17, 2011).

About Romarco Minerals Inc.

Romarco Minerals Inc. is a gold development company focused on production primarily in the US. The Company has completed a positive Feasibility study and is continuing exploration drilling and permitting for its flagship project, the Haile Gold Mine in South Carolina.

Please note: This entire press release may be accessed via fax, e-mail, Romarco's website at www.romarco.com and through CNW Group's website at www.newswire.ca. All material information on Romarco Minerals Inc. can be found at www.sedar.com.

Forward-Looking Information

This News Release contains "forward-looking information" that is based on Romarco's expectations, estimates and projections as of the dates as of which those statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, outlook, financing plans, long-term growth in cash flow, shareholder value, projections, targets and expectations as to reserves, resources, results of exploration (including targets) and related expenses, mine development, mine operations, mine production costs, drilling activity, sampling and other data, estimating grade levels, future recovery levels, future production levels, capital costs, cost savings, cash and total costs of production of gold, expenditures for environmental matters, projected life of Romarco's mines, reclamation and other post closure obligations and estimated future expenditures for those matters, completion dates for the various development stages of mines, availability of water for milling and mining, future gold prices (including the long-term estimated prices used in calculating Romarco's mineral reserves), end-use demand for gold, currency exchange rates, debt reductions, use of future tax assets, timing of expected sales and final pricing of concentrate sales, and the percentage of anticipated production covered by option contracts or agreements. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as "outlook", "anticipate", "project", "target", "believe", "estimate", "expect", "intend", "should", "scheduled", "will", "plan" and similar expressions. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause Romarco's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, and developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to:

- * uncertainties relating to the success of the Company's gold exploration and development properties and the ability to develop a producing mine;
- * uncertainties associated with the highly speculative nature of the Company's operations;
- * uncertainties associated with fluctuations in gold prices;
- * uncertainties relating to resources and reserves estimates;
- * risk that the Company may yield less mineral production under actual conditions than is currently estimated;
- * risk that the Company may be unable to secure further capital necessary to carry out its operations;
- * uncertainties relating to the ability of the Company to secure the various permits to conduct its current and

anticipated future operations;

- * inherent uncertainties associated with exploration and development activities;

- * uncertainties relating to actual capital costs, operating costs and expenditures, production schedules and economic returns;

- * risks associated with Romarco's operations being subject to significant environmental laws and regulations, including change in governmental regulation;

- * risk that increased competition may adversely affect Romarco's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future;

- * risk of being subject to legal proceedings;

- * uncertainties relating to the ability of the Company to successfully acquire additional mineral rights;

- * uncertainties associated with integrating new acquisitions into existing operations;

- * risk that Romarco will be unable to attract and retain the necessary qualified management and technical personnel to meet the requirements of its anticipated growth;

- * uncertainties relating to the Company's ability to effectively manage growth;

- * risks associated with the limited operating history of the Company and the lack of history of earnings, positive cash flow or dividend payments;

- * risk that the Company's insurance coverage may not cover all of its potential losses, liabilities and damage related to its business;

- * uncertainties related to recent market events;

- * uncertainties related to the current global financial conditions; and

- * conflicts of interest.

A discussion of these and other factors that may affect Romarco's actual results, performance, achievements or financial position is contained in the filings by Romarco with the Canadian provincial securities regulatory authorities, including Romarco's Annual Information Form. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the continued operation of Romarco's mining operations, no material adverse change in the market price of commodities, that the mining operations will operate in accordance with Romarco's public statements and achieve its stated production outcomes, and such other assumptions and factors as set out herein. Although Romarco has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements. Romarco disclaims any intent or obligations to update or revise publicly any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

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