

St. Augustine Gold and Copper Limited Announces 21.6% Increase in King-king Project Total Resource Containing 5.4 Billion Lbs Copper and 10.3 Million Oz Gold

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SPOKANE, WASHINGTON -- ([Marketwire](#) - Aug. 15, 2011) - [St. Augustine Gold and Copper Limited](#) (TSX: SAU) announces an updated block model for its King-king project in Mindanao, Philippines with new physical and economic parameters based on updated information from on-going engineering and mineral resource studies executed in 2011. The resource has increased 21.6% in tonnage and shows 0.254% copper, 0.334 g/t gold, and 0.660 Eq. g/t gold or 0.533% Eq. copper (equating to 20.4 million equivalent troy ounces of gold contained or 11.3 billion equivalent pounds of copper contained).

In comparing to the mineral resource reports from the October 2010 Technical Report and the updated resource today, the measured and indicated mineral resource increased from 791.5 million tonnes to 962.3 million tonnes at 0.533% copper equivalent, or 0.660 g/t gold equivalent, 0.254% total copper, 0.062% soluble copper, and 0.334 g/t gold (see Table 1 below). The inferred mineral resource totals an additional 188.8 million tonnes at 0.439% copper equivalent, 0.215% total copper, 0.048% soluble copper, and 0.265 g/t gold. The measured and indicated mineral resource represents 5.4 billion pounds of contained copper and 10.3 million troy ounces of contained gold. The last column of the table also demonstrates that with metal grades defined in terms of equivalent gold instead of equivalent copper, the equivalent gold grade of the measured and indicated mineral resource is 0.660 g/t gold equivalent.

Related to the measured and indicated resource reported in the October 2010 Technical Report the updated mineral resource contains significantly more tonnes and more contained copper and gold. Total material above cutoff has increased by 170.7 tonnes, which is an increase of 21.6 percent. Contained copper has increased by 0.52 billion pounds, which is an increase of 10.6 percent. Contained gold has increased by 0.9 million ounces, which is an increase of 9.4 percent.

Table 1. King-king Mineral Resource

8/9/2011

Ore Type/Resource Class	Ore Ktonnes	Eq Cu (%)	Tot Cu (%)	Sol Cu (%)	Gold (g/t)	Eq Au (g/t)
Measured Mineral Resource						
Oxide Mill Ore	39,513	1.180	0.431	0.266	0.535	0.843
Sulfide Mill Ore	80,829	0.551	0.258	0.037	0.427	0.803
Total Measured Resource	120,342	0.758	0.315	0.112	0.462	0.816
Indicated Mineral Resource						
Oxide Mill Ore	122,350	0.868	0.334	0.203	0.382	0.620
Sulfide Mill Ore	719,560	0.439	0.230	0.029	0.305	0.640
Total Indicated Resource	841,910	0.501	0.245	0.054	0.316	0.637
Measured/Indicated Mineral Resource						
Oxide Mill Ore	161,863	0.944	0.358	0.218	0.419	0.675
Sulfide Mill Ore	800,389	0.450	0.233	0.030	0.317	0.657
Total Meas/Ind Resource	962,252	0.533	0.254	0.062	0.334	0.660
Inferred Mineral Resource						
Oxide Mill Ore	33,303	0.747	0.276	0.160	0.337	0.534
Sulfide Mill Ore	155,513	0.373	0.202	0.024	0.249	0.544
Total Inferred Resource	188,816	0.439	0.215	0.048	0.265	0.542

Notes:

Eq Cu (oxide) = Total Copper + 1.400 x Gold, Cutoff = 0.30% Eq Cu
Eq Cu (sulfide) = Total Copper + 0.686 x Gold, Cutoff = 0.15% Eq Cu
Alternatively, as Equivalent Gold:
Eq Au (Oxide) = Gold + 0.714 x Total Copper, Cutoff = 0.22 g/t Eq Au
Eq Au (Sulfide) = Gold + 1.458 x Total Copper, Cutoff = 0.22 g/t Eq Au
Total Material in Cone Shell 1,736,371 Ktonnes
Waste:Ore Ratio 0.80 (Inferred as Waste)
Waste:Ore Ratio 0.51 (Inferred as Ore)

Updated estimates of gold and copper prices, mining, process, and overhead costs from 2011 engineering studies were applied along with updated estimates of process and mining recoveries to establish a revised estimate of mineral resources that have reasonable expectation of economic extraction. Table 1 above summarizes the mineral resources at the King-king Copper/Gold Project as determined by Independent Mining Consultants of Tucson (IMC). The updated mineral resources are based on commodity prices of US\$ 2.50 per pound copper and US\$ 1100 per ounce gold.

With these increases in mineral resources, the Company is evaluating raising the planned tonnage throughput for the upcoming bankable feasibility study (BFS) that is planned for completion in Q2 2012. The throughput is expected to increase from the 100,000 tonnes-per-day mine plan in the October 2010 Technical Report to somewhere in the range of 110,000 to 130,000 tonnes per day. The evaluation will focus on economic feasibility to ensure maximum after tax Net Present Value and Internal Rate of Return. The increase in throughput would demonstrate during the first five years of production an estimated annual production of 193 million pounds per year copper in concentrate and 529,000 ounces of gold per year in copper concentrate.

Independent Mining Consultants, Inc. (IMC) of Tucson, AZ, the consultant for the feasibility mine design, updated the resource block model for this mineral resource update. The main features of this update are the incorporation of better topography into the estimate than was previously available and the conversion of the model and drillhole database from the old local coordinate system to WSG84 coordinates. Most of the increased mineral resource is due to higher prevailing metal prices.

IMC reports mineral resources within a floating cone shell for open pit mines to comply with the "reasonable prospects for economic extraction" clause of Canada's NI 43-101 regulations and also Australia's AusIMM - JORC code. Table 2 shows the economic parameters used for this update. Only measured and indicated resource blocks were allowed to contribute to the floating cone shell used for the mineral resource tabulation, with inferred blocks treated as waste. The economic parameters developed for Table 2 are based on bulk

open pit mining of the ore followed by crushing, grinding, and flotation to produce copper concentrates.

Table 2. Economic Parameters for King-king

Parameter	Units	Oxide Mill	Sulfide Mill
Copper Price Per Pound	(US\$)	2.500	2.500
Gold Price Per Troy Ounce	(US\$)	1100	1100
Base Mining Cost Per Tonne Material	(US\$)	1.250	1.250
Mine Replacement Capital Per Tonne	(US\$)	0.100	0.100
Process Cost Per Ore Tonne	(US\$)	5.000	5.000
G&A Cost Per Ore Tonne	(US\$)	0.270	0.270
Process Recovery of Copper (Average)	(%)	37.8%	77.2%
Process Recovery of Gold (Average)	(%)	75.0%	75.0%
Smelting/Refining Payable for Copper	(%)	96.4%	96.4%
Smelting/Refining Payable for Gold	(%)	95.0%	95.0%
SRF (or SXEW) Cost Per Pound Copper	(US\$)	0.260	0.260
Gross Royalty	(%)	3.0%	3.0%
NSR Factor for Total Copper	(US\$)	17.455	35.649
NSR Factor for Gold	(US\$)	24.443	24.443
Gold Factor for Copper Equivalent	(none)	1.400	0.686
Total Copper Equivalent Cutoff Grades			
Breakeven (without lift)	(%Cu)	0.38	0.19
Internal	(%Cu)	0.30	0.15
Copper Factor for Gold Equivalent	(none)	0.714	1.458
Gold Equivalent Cutoff Grades			
Breakeven (without lift)	(g/t)	0.27	0.27
Internal	(g/t)	0.22	0.22

St. Augustine Gold and Copper Limited key project milestones to be completed during the next twelve months are shown below:

- Social and Environmental Impact Assessment and Environmental Impact Study
- Application for Declaration of Mine Project Feasibility
- Application for Environmental Compliance Certificate
- Feasibility Study; Q2 2012

The PEA schedule has been adjusted by one quarter to take advantage of the new optimized mine plan to increase mine and mill throughputs to between 110,000 and 130,000 tonnes per day ore. The new completion date for the PEA is Q4 2011.

NATIONAL INSTRUMENT 43-101 COMPLIANCE

Mr. Michael G. Hester, FAusIMM of Independent Mining Consultants, Donald F. Earnest, P.G., of Resource Evaluation, Inc., Mr. Art Ibrado, M3 Engineering and Technology and Mr. James J. Moore, P.E., St. Augustine Gold and Copper Limited, the qualified persons under NI 43-101, have reviewed the contents of this press release.

A NI 43-101 compliant technical report entitled "King-king Copper-Gold Project Mindanao, Philippines" dated October 12, 2010 and prepared by Michael G. Hester, FAusIMM of Independent Mining Consultants, Inc., Donald F. Earnest, P.G., of Resource Evaluation, Inc. and John G. Aronson of AATA International, Inc. has been filed by the Company on www.sedar.com.

For further information about the Company, please refer to the Company's filings on SEDAR (www.sedar.com).

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This announcement includes certain "forward-looking statements" within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, included herein, without limitation, the use of net proceeds are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainties relating to the completion of a bankable feasibility study; uncertainty of estimates of capital and operating costs, recovery rates production estimates and estimated economic return; the need for cooperation of government agencies in the development of the Company's mineral projects; the need to obtain additional financing to develop the Company's mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for the Company's mineral projects; and other risks and uncertainties disclosed under the heading "Risk Factors" in the informational circular of the Company dated November 19, 2010 filed with Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.

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