Kaminak Reports Robust PEA at US $1250/oz Gold on Coffee Gold Project

11.06.2014 | Marketwired

Pre-Tax NPV@5% of $522 million and IRR of 32.8%; Average Annual Gold Production of 167,000 Ounces and All-In Sustaining Costs of US$688/oz

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 10, 2014) - **Kaminak Gold Corporation (TSX VENTURE:KAM)** is pleased to announce the results of a Preliminary Economic Assessment (PEA) prepared pursuant to National Instrument 43-101 (NI 43-101) on the Company's 100% owned Coffee Gold Project (Coffee), located 130km south of Dawson City, Yukon. The study indicates that Coffee represents a robust, high margin, rapid pay-back, 11-year open pit mining project at current gold prices. The study was prepared by JDS Energy & Mining Inc., an established Yukon mine builder, under the direction of Fred Lightner (Director of Mine Development, Kaminak) with contributions from Kappes Cassiday and Associates, Knight Piésold and Co. and SIM Geological Inc. At a gold-price of US$1250/oz and using an exchange rate of C$1.00 equal US$0.95, Coffee generates a pre-tax net present value (NPV) at a 5% discount rate of more than $500 million and an Internal Rate of Return (IRR) of 33%. Further, the mine could become a significant Yukon gold producer, yielding close to 450,000 ounces in the first two years and producing an average of 167,000 ounces annually over the life of mine at an all-in sustaining cash cost of US$688 per ounce of gold.

Kaminak will be hosting a live video webcast presentation at 10:30am Eastern Time (7:30am Pacific Time) on June 11, 2014 to discuss the results of the PEA. To participate in the live webcast, please click the following link: http://kaminak.com/investors/register/. For those who cannot participate, the video webcast will be archived on Kaminak's website (www.kaminak.com) within 24 hours of the presentation.

The PEA envisages an owner-operated, approximately 11-year open-pit mine targeting 53 million tonnes of primarily oxide facies material at an average diluted grade of 1.23 grams/tonne gold (g/t Au). The study incorporates a three-stage crushing circuit and a valley fill heap leach facility designed by Knight Piésold and Co., along with a standard carbon adsorption gold recovery plant to produce 1,859,000 ounces of gold doré over life of mine (LOM). It should be noted that the study outlines several opportunities to further enhance economics (see below) and the current resource remains open along strike and to depth. Further, more than 20km of untested gold in soil anomalies remain to be evaluated and Kaminak remains confident that additional near surface oxide resources can be identified in the near term; drilling is ongoing.

Highlights (all amounts are in Canadian dollars unless otherwise indicated; base case is stated using a gold price of US$ 1,250 per ounce and an exchange rate of C$1.00 equal US$0.95):

- NPV of $522 million at a 5% discount rate and an IRR of 32.8% before taxes and mining duties, and an NPV of $330 million and an IRR of 26.2% after taxes and mining duties
- Mine life of 11 years with peak production of 231,000 ounces per annum (Year 1) and average LOM production of 167,000 ounces of gold
- Average metallurgical recoveries of 88% gold
- 1,859,000 ounces LOM gold production at an average diluted grade of 1.23 g/t Au
- All-in sustaining costs* of US $688/oz (including royalties) for LOM, generating an Operating margin of over US $560/oz or 42%
- Initial capital costs of $305 million (including a 15% contingency)
- Payback of 1.8 years pre-tax and 2.0 years post-tax

- Gross Revenue of $2.4 Billion and Operating Cash-flow of $1.24 Billion
  ** All-in Sustaining Costs are presented as defined by the World Gold Council ("WGC") less Corporate G&A.*

Eira Thomas, CEO commented: *"The recently completed Coffee PEA has delivered a high value, high margin, low risk gold project in one of the World's safest, pro-mining jurisdictions, Yukon Canada, and marks a significant milestone for our Company. At a US $1250 gold-price, Coffee will generate more than $2 billion in gross revenue, deliver total life of mine, pre-tax, free cash of $800 million and payback capital in under 2 years. Further upside to this evaluation is anticipated through optimization studies and continued exploration. All of the deposits in the current resource remain open along strike and to depth."*

Fred Lightner, Kaminak's Director of Mine Development, stated*: "With the completion of the PEA, we now have an initial look at the economic potential of the Coffee Project. The grade of the deposit and strip ratio, metallurgical response, and relatively low operating costs are strong factors which create value. We believe that with additional exploration, delineation drilling, and project engineering the project will be further enhanced."*

JDS Energy & Mining Inc. (JDS) was engaged by Kaminak Gold Corp. in 2013, under the direction of Fred Lightner (Director of Mine Development, Kaminak) to produce an independent Preliminary Economic Assessment (PEA) for the Coffee Gold Project. A technical report following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 will be filed on SEDAR and on the Company website within 45 days.

The reader is advised that the PEA summarized in this press release is intended to provide only an initial, high-level review of the project potential and design options. The PEA mine plan and economic model include the use of Inferred resources. Inferred resources are considered to be too speculative to be used in an economic analysis except as allowed for by Canadian Securities Administrators' National Instrument 43-101 (NI 43-101) in PEA studies. There is no guarantee that Inferred resources can be converted to Indicated or Measured resources, and as such, there is no guarantee the project economics described herein will be achieved.

PEA Summary (Reported in 2014 Canadian $, except where noted)

Total Heap Leach Material Mined (tonnes)	53,400,000
Average Diluted Grade of Heap Leach Material (g/t Au)	1.23
Total Waste (tonnes)	212,000,000
Strip Ratio (Waste : Heap Leach Material)	4.0
Total Gold Contained (oz.)	2,111,000
Total Au Produced (oz.)	1,859,000
Gold Recovery (%)	88%
Average Gold Production of Year 1 and 2 (oz. per year)	224,000
Total Initial Capital Cost (including 15% contingency)	$304,800,000
Sustaining Capital (including 15% contingency)	$145,500,000
Total Life of Mine Capital (including 15% contingency)	$450,300,000
Unit Operating Costs (per tonne leached)	
Mining	$11.86
Processing	$6.67
General & Administrative	$4.00
Total Operating Costs	$22.53

Summary Economics at US$1250/oz. Gold:

Total LOM Operating Cash Flow (C$M)		$1246.3
Total LOM Pre-Tax Free Cash Flow (C$M)		$796.0
Average Annual Pre-Tax Free Cash Flow (C$M)		$72.0
LOM Income Taxes (C$M)		$280.8
Total LOM After-Tax Free Cash Flow (C$M)		$515.2
Average Annual After-Tax Free Cash Flow (C$M)		$46.6
Discount Rate		5%

Pre-Tax NPV (C$M)		$522.4
Pre-Tax IRR		32.8%
Pre-Tax Payback (Yrs)		1.8
After-Tax NPV (C$M)		$330.4
After-Tax IRR		26.2%
After-Tax Payback (Yrs)		2.0
	US $*	C $
Cash Cost ($/oz)	$613.15	$645.43
Cash Cost Incl. Sustaining CAPEX ($/oz)**	$687.50	$723.69

** Exchange rate of C$1.00 equal US$0.95 was used.*

*** All-in Sustaining Costs are presented as defined by the World Gold Council ("WGC") less Corporate G&A.*

All in Cash Costs Including Sustaining Capex

On-Site Mining & Rehandle (C$M)	$610.0
On-Site Processing (C$M)	$343.2
On-Site G&A (C$M)	$205.8
Refining (C$M)	$14.7
Royalties (C$M)	$26.3
Sustaining (C$M)	$99.5
Closure (C$M)	$46.0
Total (C$M)	$1,345.5
All-in Cash + Sustaining Cost (C$/oz)*	$723.69
All-in Cash + Sustaining Cost (US$/oz)*	$687.50

** All-in Sustaining Costs are presented as defined by the World Gold Council ("WGC") less Corporate G&A. Exchange rate of C$1.00 equal US$0.95 was used.*

The Base Case summarized above was selected and reported to take advantage of the economies of scale that are realized with high production rates and to demonstrate the project potential from the known resources. The base case assumed an owner operated open pit mine, three-stage crushing circuit to nominal 12.5 mm, a valley fill heap leach facility, and a carbon adsorption gold recovery plant to produce gold doré. Other assumptions include access to site via an all-season road and power generation using diesel. Total installed power, including process equipment and other site infrastructure is estimated to be 5.0 megawatts (MW). The average operating power demand is 3.6 MW. With additional exploration and based on past performance, the possibility to expand the near surface oxide resources exists.

Sensitivities:

Gold Price US$/oz	$1,000	$1,100	$1,200	$1,250	$1,300	$1,400	$1,500
Pre-Tax NPV 5% C$M	$165	$308	$451	$522	$594	$737	$880
After-Tax NPV 5% C$M	$99	$194	$285	$330	$375	$465	$553
Pre-Tax IRR	15%	23%	30%	33%	36%	42%	48%
After-Tax IRR	12%	18%	24%	26%	29%	33%	38%
Pre-Tax Payback	4.4	3.2	2	1.8	1.6	1.4	1.2
After-Tax Payback Yrs	4.7	3.5	2.5	2	1.8	1.6	1.4

Opportunities to Enhance Value

Although Kaminak considers the PEA results for the base case excellent, future trade off studies are anticipated to evaluate alternate development scenarios that would be used to reduce the initial capital requirements. Such items as coarser crushing or run-of-mine leaching coupled with high fragmentation blasting in the mine, contract mining or mine equipment leasing, liquefied natural gas (LNG) as a potential power generation fuel source and a staged development of a smaller project followed by expansion, are a few of the scenarios being considered. Moreover, Coffee has high potential for resource expansion; the deposits in the current resource remain open along strike and to depth, and more than 20 km of priority gold in soil anomalies outside of the current resource area remain to be drill-tested.

PEA DETAILS

Mineral Resources:

The PEA is based on an Indicated and Inferred mineral resource estimate completed by independent Qualified Person Robert Sim, P.Geo., of SIM Geological Inc. and was derived from 961 diamond core and reverse circulation drill holes completed from 2010 to 2013 for a total of 185,000 metres. This estimate consists of 719,000 ounces Indicated (14 Mt grading at 1.56g/t Au), and 3,434,000 ounces Inferred (79 Mt grading at 1.36g/t Au) using base case cut-off of 0.5 grams per tonne gold ("g/t Au") for Oxide and Transitional material and a 1g/t Au cut-off for Sulphide material. For further details, please see Company press release of January 28, 2014 (http://kaminak.com/investors/news_releases/index.php?&content_id=539) and the NI 43-101 Technical Report released March 12, 2014.

Capital and Operating Costs Summary:

Capital Costs		Pre-Prod (C$M)	Sust/Clsr (C$M)	Total (C$M)
Capitalized Mining		$50.3	$0.0	$50.3
Pre-Prod Operating Costs		$16.7	$0.0	$16.7
Site		$57.1	$4.8	$61.9
Mining Equipment		$46.3	$64.5	$110.8
Leach Facility		$43.7	$17.2	$60.9
Crushing & Conveying		$12.4	$0.0	$12.4
Camp		$10.3	$0.0	$10.3
Indirects		$37.0	$0.0	$37.0
Closure		$0.0	$40.0	$40.0
Subtotal		$273.8	$126.5	$400.3
Contingency	15%	$31.0	$19.0	$50.0
Total Capital Costs		$304.8	$145.5	$450.3

Operating Costs	$/t Processed
Mining	$11.86
Processing	$6.67
G&A	$4.00
Total Operating Costs*	$22.53

** The operating costs above are for the operational period only and do not include capitalized operating costs during pre-production.*

Mining

Coffee is amenable to development as an open pit (OP) mine as all mineralized lodes commence at surface in all pits and pre-strip is limited to 1-2m of soil. Mining of the deposit is planned to produce a total of 53.4 Mt of heap leach feed and 212.4 Mt of waste (4.0:1 overall strip ratio) over a 13-year project production life which includes two years of pre-production. The current LOM plan focuses on achieving consistent heap leach production rates, and mining of higher grade material early in the production schedule. The tonnage and distribution of mined material is summarized below:

Material Type	Heap Leach Tonnage Mined	Distribution (%)
Supremo Oxide	39,100,000	73
Supremo Upper Transition	1,200,000	2
Latte Oxide	10,500,000	20
Latte Upper Transition	700,000	1
Double Double Oxide	1,200,000	2
Kona Oxide	700,000	1
Total	53,400,000	100.0

Mine planning for Coffee was conducted using a combination of Mintec Inc., MineSight™ software and CAE NPV Scheduler (NPVS) software. Pit slopes range from 37° to 50° as derived from a preliminary geotechnical assessment completed by SRK Consulting (U.S.) Inc. A series of optimized shells were generated for each of Supremo, Double Double, Latte and Kona deposits based on varying revenue factors. Selected pits range from 75m depth (Kona) to 200m depth (Supremo). Cut off grades for Oxide mineralization is 0.31g/t Au for Supremo, Double Double and Kona, and 0.32g/t Au for Latte.

The proposed heap leach processing rate of 5.0 Mtpa was used, along with deposit and pit geometry constraints, to estimate the mining equipment fleet needed. The fleet has an estimated maximum capacity of 90,000 t/d total material, which would be sufficient for the LOM plan.

The total capital cost of the mining equipment of $110.8 million has been based on a detailed equipment list and budget cost quotations from a major equipment supplier. The initial pre-production capital cost of the mine is estimated at $46.3 million and the remaining cost of $64.5 million will be spent after the pre-production period as sustaining capital. It should be noted that the $304.8 million of initial capital in the economic model includes $50.3 million of mining costs that have been capitalized in the pre-production period.

The open pit mine operations require a total average of 100 personnel, mine maintenance requires 35 personnel, and supervision/technical needs a total of 30 personnel, for a total of 165 open pit personnel.

Open pit mining costs were calculated from first principles based on equipment required and include pit and dump operations, road maintenance, mine supervision and technical services cost.

The average open pit operating costs for the LOM plan (which includes pre-production mining) are listed below:

Function	Average Cost (C$)/Tonne Mined
Drilling	$0.28
Blasting	$0.39
Loading	$0.36
Hauling	$0.71
Roads & Dumps	$0.35
General Mine/Maintenance	$0.17
Supervision & Technical	$0.22
Total Open Pit Operating Cost	$2.48

Processing

The process flowsheet includes a three-stage crushing plant followed by a heap leach operation. Gold is extracted by an Adsorption-Desorption-Recovery (ADR) carbon plant. The process flowsheet is based on a processing rate of 5.0 million dry tonnes per year.

The design particle crush size is minus 16 mm (80% passing 12.5 mm) however, rock types found to leach adequately at coarser sizes could bypass the tertiary crushing circuit. Based on experience gained during actual operations, the crush size for each rock type may be modified as conditions permit.

The estimates for ultimate gold recovery and major reagent consumptions for various rock types were based on the results of laboratory column leach tests conducted by Kappes Cassiday & Associates, industry leading experts in heap leach processing and consultants to Kinross for the development of the successful Ft. Knox Heap Leach mine in Alaska.

A summary of the ultimate recoveries and reagent consumptions used for each deposit facies is summarized below:

Deposit Facies	Ultimate Au Recovery %	Reagent Consumptions	
		NaCN kg/t	CaO kg/t
Supremo Oxide	90	0.20	1.50
Supremo Upper Transition	70	0.20	1.50
Latte Oxide	88	0.20	1.50
Latte Upper Transition	44	0.20	1.50
Double Double Oxide	90	0.20	1.50
Kona Oxide	90	0.20	1.50

Column leach test work was conducted under simulated **cold climate** conditions. Agglomeration was not required and low reagent consumption was reported.

The total capital cost of the process facilities of $73.3 million has been based on budget cost quotations from major equipment suppliers. The initial pre-production capital cost of the process facilities mine is estimated at $56.1 million and the remaining cost of $17.2 million will be spent after the pre-production period as sustaining capital. For the heap leach facility (HLF), Knight Piésold and Co. conducted a two phased conceptual study to first evaluate alternate locations for the siting of the HLF, followed by completion of design, scheduling and cost estimation to construct the HLF. Again it should be noted that the $304.8 million of initial capital in the economic model includes $8.7 million of processing costs that have been capitalized in the pre-production period.

Process operating costs were estimated to include all crushing, heap loading, and gold recovery activities to produce unrefined gold bullion (doré). Process manpower requirements were estimated to require 126 personnel. All reagents cost estimates were calculated by projected consumptions and estimated prices. All power is supplied by diesel generators and power costs are estimated at $0.35 per kilowatt hour.

The LOM process operating costs (which include pre-production processing) are summarized below:

	$CDN / Year	$CDN / tonne leached
Crushing & Conveying	$11,608,000	$2.32
Leach & Plant	$18,503,000	$3.70
Refine & Laboratory	$3,228,000	$0.65
Total Processing Cost	$33,339,000	$6.67

Project Infrastructure and Indirects

The project envisions the construction of the following key infrastructure items to support the mine and process facilities:

- Approximately 250 km all-season access road from the Klondike Highway at Carmacks to the project site; includes upgrading 74 km of existing road and building 179 km of new road
- Approximately 7 km of new on-site access roads for light vehicles to by-pass the active mining areas
- New airstrip
- Truck shop, warehouse and camp
- Fresh water supply developed from groundwater
- Bulk explosives storage and magazines
- Power plant and bulk fuel storage
- Potable, fire and sewage water systems
- Camp and administrative office

The total capital cost of the project infrastructure and development indirect costs is $109.2 million based on a budget quotation to construct the access road, JDS' northern operating experience, and more specifically, their Yukon project experience. The all-season access road will be constructed to connect the project site to Carmacks, Yukon Territory, Canada. The conceptual design for the road includes upgrading approximately 74 km of existing public road and 179 km of new road construction (250 km total). The road will be designed as a single-lane (5m width), mine access road with intermittent turnouts and traffic will be radio controlled. The road will be suitable for semi-trailer trucks and will eliminate the need to supply the site by barge, ice-road or by air. The mine will own and operate a fleet of snow plows and graders used to maintain the road through the winter.

The initial pre-production capital cost of the infrastructure and indirects is $104.4 million and the sustaining cost is $4.8 million to be spent after the pre-production period. The General and Administrative operating costs for the operation are estimated to be approximately $20 million per year or $4.00 per tonne leached.

Environment, Reclamation and Stakeholder Engagement

In 2014, Kaminak initiated comprehensive environmental baseline studies, building on the environmental studies that have been ongoing since 2010 with the aim of completing an Environmental Impact Statement for submission in advance of Permitting. Kaminak will be seeking the input and involvement of local First Nations (Tr'ondëk Hwëch'in, Selkirk First Nation, White River First Nation and Little Salmon/Carmacks First Nation) in the design and implementation of these baseline studies and is committed to working with stakeholders to ensure that concerns are addressed. A closure and reclamation plan will be prepared for the project proposal submission. Financial assurance must be posted to secure the closure and reclamation works. In the PEA, the estimate for the closure cost is $46,000,000, including a 15% contingency, and is based on the owner-operator closing the mine and completing the reclamation activities. The Government of Yukon will determine the amount and form of security to be provided.

PEA CONTRIBUTORS

- **JDS Energy & Mining Inc., Lead Author, Overall Mine and Project Design**
- **Knight Piésold and Co., Heap Leach Facility Design**
- **Sim Geological, Mineral Resource Estimate (January 2014)**
- **Kappes Cassidy and Associates, Metallurgical Consultants**

Qualified Persons

Fred Lightner, PE, Kaminak Director of Mine Development, is the Company's designated QP for this news release within the meaning of NI 43-101 and has reviewed and validated that the information contained in the release is consistent with that provided by the QPs responsible for the PEA.

Kaminak's disclosure of technical or scientific information in this press release has been reviewed and approved by Tim Smith, MSc, P.Geo., Vice President Exploration of Kaminak Gold Corp., who serves as a Qualified Person under the definition of National Instrument 43-101.

On behalf of the Board of Directors of Kaminak

Eira Thomas, President and CEO

Kaminak Gold Corp.

For further information about Kaminak Gold Corporation or this news release, please visit our website at www.kaminak.com.

Neither the 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.

Caution Concerning Forward-Looking Statements

Certain disclosures in this release, including management's assessment of the future potential of the Coffee Project and future exploration programs, constitute forward-looking statements that are subject to numerous risks, uncertainties and other factors relating to Kaminak's operations as a mineral exploration company that may cause future results to differ materially from those expressed or implied in such forward-looking statements, including risks as to the completion of the plans and projects. Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by law, Kaminak expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

The Company has not made a production decision and the Company's strategic plan to develop a stand-alone heap leach operation is subject to the results of its Feasibility Study. Further, if and when the Company makes any production decision, it will disclose the basis of such decision in accordance with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

Cautionary Note concerning estimates of Inferred and Indicated Resources:

This news release uses the terms "Inferred Resources" and "Indicated Resources", which have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred and/or Indicated Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. Kaminak advises U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. U.S. investors are cautioned not to assume that part or all of an Inferred and Indicated resource exists, or is economically or legally minable.

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