

Alabama Graphite Announces Positive Preliminary Economic Assessment for Coosa Project; Files Completed PEA NI 43-101 Technical Report

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The Most Advanced Battery-Grade Graphite Project in the United States of America

TORONTO, ONTARIO -- (Marketwired - Nov 30, 2015) - Alabama Graphite Corp. ("AGC" or the "Company") (TSX VENTURE:ALP) (OTCQX:ABGPF) (FRANKFURT:1AG) is very pleased to announce the results of a positive Preliminary Economic Assessment ("PEA") for its 100%-owned flagship Coosa Graphite Project located in east-central Alabama, USA. The PEA technical report was prepared pursuant to Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") by the independent engineering firm AGP Mining Consultants Inc. ("AGP") of Barrie, Ontario - in conjunction with Metal Mining Consultants Inc. of Highlands Ranch, Colorado; co-authors of the PEA and authors of the Coosa Graphite Project's updated Mineral Resource Estimate technical report - and demonstrates that the Coosa Graphite Project has strong economics and excellent potential to become a near-term producer of high-value, ultra-high-purity specialty graphite products for the burgeoning American green-energy markets. The technical report concluded that the PEA is positive and recommends the Coosa Graphite Project be advanced to the feasibility stage of development.

Additionally, AGC announces it has filed the accompanying NI 43-101 technical report dated November 27, 2015, entitled, "[Alabama Graphite Corp. Preliminary Economic Assessment \(PEA\) on the Coosa Graphite Project, Alabama, USA](#)" under the Company's SEDAR profile at www.sedar.com and on its website at www.alabamagraphite.com.

PEA ADDRESSES BOTH PRIMARY AND SECONDARY PROCESSED, SPECIALTY GRAPHITE PRODUCTS

AGC's PEA diverges from others in the flake graphite development space in that it addresses both primary and secondary processing to produce specialty, ultra-high-purity graphite products, as opposed to sole primary processing to make traditional graphite concentrate. *AGC does not intend to sell any graphite concentrate.* This is a significant point of differentiation between AGC and other flake graphite development companies. Recent known flake graphite development companies' PEAs and Feasibility Studies have been based solely on primary processed, run-of-mine ("ROM") graphite concentrates of various purities and flakes sizes. AGC intends to divert 100% of primary processed graphite to secondary processing to produce specialty graphite, specifically, coated spherical graphite ("CSPG") for use in lithium-ion ("Li-ion") batteries and purified micronized flake graphite ("PMG") for use in polymer, plastic and rubber composites, powder metallurgy, energy materials, and friction materials, among other applications. As a result, the Company's PEA incorporates mining and primary ROM processing capital and operating expenditures, as well as secondary processing, specialty graphite capital and operating expenditures.

Highlights of the Coosa Graphite Project's PEA are summarized below:

PEA HIGHLIGHTS

Note: All dollar amounts are based in U.S. currency unless otherwise noted

- The PEA confirms Coosa as a project with low capital intensity and attractive potential returns;

- PEA is based on Coosa producing two finished (final) specialty, secondary-processed graphite products - a coated spherical graphite product ("CSPG") and a purified micronized flake graphite product ("PMG"). The PEA is not modelled on producing a final run-of-mine ("ROM") graphite concentrate product typical of other conventional flake graphite projects;
- Initial Capital Expenditure ("CAPEX") of \$43.2 million, with a payback period of 1.9 years (pre-tax) and 2 years (post-tax) from commencement of commercial production;
- Base-case pre-tax Net Present Value ("NPV") of \$444 million, post-tax NPV \$320 million (8% discount); pre-tax NPV of \$329 million, post-tax NPV of \$236 million (10% discount);
- Pre-tax Internal Rate of Return ("IRR") of 52.2%; post-tax IRR of 45.7%;
- Base-case pre-tax annual cash flow of \$67.5 million; post-tax annual cash flow of \$49.7 million;
- Life of Mine Gross Revenue (less royalty) of \$2.4 billion;
- Life of Mine Operating Expenses ("OPEX") of \$533 million;
- Life of Mine plan of 27 years based on mining ~10% of Mineral Resource Estimate; mining is occurring within the Oxide Zone (*the PEA is based on milling 15.2 million tons - 12.6 million tons @ 2.85% Cg of the Indicated Resource and 2.6 million tons @ 2.95% Cg of Inferred Resource - of the Coosa Graphite Project's 78.5 million-ton Indicated and 79.4 million-ton Inferred Mineral Resource Estimate*);
- Surface mining operation; low Waste-to-Ore stripping ratio of 0.11:1;
- Primary and secondary processing plants to produce 5,500 tons (5,000 tonnes) of specialty high-purity graphite products annually, ramping up to 16,500 tons (15,000 tonnes) annually in year 7; subsequent capital expenditures to be funded through free cash flow;
- PEA is based on selling two specialty, high-value high-purity graphite products - CSPG (75% of planned production) and PMG (25% of planned production);
- Selling price for CSPG at \$8,165 per ton (\$9,000 per tonne) and PMG at \$1,814 per ton (\$2,000 per tonne) for a blended selling price of \$6,577 per ton (\$7,250 per tonne); and
- Life of Mine average cash operating costs of \$1,410 per ton (\$1,555 per tonne) for final product of CSPG and PMG.

AGC Co-Chief Executive Officer and Executive Director, Donald Baxter commented, "Today marks the most significant milestone in AGC's history. The PEA signals a new era and a new strategic direction for the Company and its shareholders as AGC advances the Coosa Graphite Project. We are very pleased with the excellent results of the PEA, which indicate a low-cost project with excellent potential economics. Our senior management and technical team have more than a century of combined graphite mining, graphite processing, graphite purification, specialty graphite products and applications, and graphite marketing and sales experience - and with our partners at AGP Mining Consultants and Metal Mining Consultants - we have delivered a technically sound, realistic and potentially highly profitable project."

"The PEA demonstrates that the Coosa Graphite Project holds the potential to become a reliable, long-term U.S. supplier of specialty high-purity graphite products. Further, the products AGC is planning to produce are targeted to address what clean-tech and green-energy customers actually want and need; products that are in high demand, and command the highest prices in the flake graphite space, with historically inelastic pricing. Our mine-to-green-energy-markets business strategy is simple - we intend to supply American graphite for the growing American green-energy industry," said Mr. Baxter. "We look forward to commencing with the Feasibility Study and bringing this exceptional American asset into production."

PROJECT OVERVIEW

The Coosa Graphite Project is located in the western part of Coosa County, east-central Alabama, USA. The Coosa Graphite Project's mineral tenure comprises mineral rights leased by AGC totaling 41,964 acres

(16,982 ha) or 65.6 square miles. The property is located 50 miles south-southeast of Birmingham, Alabama, in a geopolitically stable, mining-friendly jurisdiction with significant historical production of crystalline flake graphite in the flake graphite belt of central Alabama, also known as the 'Alabama Graphite Belt' (source: U.S. Bureau of Mines).

Coosa Graphite Project Mineral Resource Estimate

@ 1.0% Cg Cutoff

(effective date: October 2, 2015)

Resource Category	Tonnage (Tons)	Graphitic Carbon Contained (Cg %)	Graphite (Tons)
Indicated	78,488,000	2.39	1,876,000
Inferred	79,433,000	2.56	2,034,000

** Inferred Mineral Resources represent material that is considered too speculative to be included in economic evaluations. Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Measured or Indicated Mineral Resources. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no guarantee that all or any part of the Mineral Resource will be converted into a Mineral Reserve.*

A significant portion of the Coosa Graphite Project is characterized by graphite-bearing material that is oxidized and has been weathered into extremely soft rock. The Coosa property has infrastructure in place, is within close proximity to major highways, rail, power and water, and is approximately three hours (by truck or train) to the Port of Mobile, the Alabama Port Authority's deep-seawater port and the ninth largest port by tonnage in the United States (source: U.S. Army Corps of Engineers/USACE). The state of Alabama's hospitable climate allows for year-round mining operations and the world's largest marble quarry (which operates 24 hours a day, 365 days a year in Sylacauga, Alabama), is located within a 30-minute drive of the Coosa Graphite Project.

AGC's strategy is to exclusively target the oxide portion of the Coosa Graphite Project's mineral resource and, subsequently, to divert 100% of primary graphite production to secondary-processed, specialty high-purity graphite utilizing the Company's proprietary low-temperature purification process. This was highlighted in AGC's September 29, 2015 news release announcing the Company's preliminary graphite purification trials. Those trials achieved 99.99% Cg purity - across all flake sizes from Coosa Graphite Project graphite concentrate - at one of North America's premier independent metallurgical laboratories.

The PEA proposes a 27-year, open-pit mine with a mill and primary processing plant located onsite at the Coosa Graphite Project. A purification plant for secondary processing to produce specialty graphite products is to be located in the vicinity of Rockford, Alabama (19 miles from the Coosa Graphite Project mine site with access via County Roads 29 and 22). Access to natural gas in this location is key for AGC's purification plant furnaces. The Company intends to locate primary and secondary processing plants within close proximity of each other in order to generate a potentially strong annual cash flow and a high rate of return.

The PEA indicates that the Coosa Graphite Project has excellent potential to become a low-cost U.S. source of ultra-high-purity specialty graphite products - without the use of dangerous and environmentally harmful hydrofluoric acid (as is commonly used in Chinese graphite production) or costly high-temperature thermal upgrading and purification. The principal high-value specialty graphite product AGC intends to produce - CSPG for Li-ion batteries - has significant enduring future demand; however, consumers are increasingly holding manufacturers accountable for where they source their critical input materials and, as importantly, how said input materials are produced. Environmental considerations are now more critical than ever when sourcing critical input materials for green-energy-based applications, such as Li-ion batteries.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

It is important for readers to understand that the Coosa Graphite Project's PEA is not based on producing a final ROM graphite concentrate product, nor has the PEA been modelled on the Coosa Graphite Project being developed as a conventional flake graphite project. Instead, the PEA is based on Coosa producing two finished (final) secondary-processed, specialty graphite products - a coated spherical graphite product and a purified micronized flake graphite product.

For the first five years of operation, production is scheduled to be 5,500 tons (5,000 tonnes) of finished

specialty graphite products, expanding capacity to 16,500 tons (15,000 tonnes) of finished specialty graphite products by year seven. The capital costs associated with increasing production capacity (11,000 tons or 10,000 tonnes) are planned to be paid for via the Company's free cash flow.

CAPITAL COSTS

Initial capital expenditures for mining operation and both primary and secondary processing plants for the first five years of production are estimated to be \$43.2 million. Subsequent capital expenditures for production expansion - commencing in year five onward - are estimated to be \$84.4 million, representing a grand total of \$127.6 million in capital expenditures for the 27-year LOM, and would be funded through free cash flow.

INITIAL CAPITAL DISPOSITION

Capital Category	Years 1 - 5
Surface Mining Operations	\$ 1.1
Milling & Flotation	\$11.7
Purification Plant	\$11.9
Infrastructure	\$ 2.4
Environmental	\$ 0.0
Indirects	\$10.0
Contingency	\$ 6.1
TOTAL	\$43.2

* Note: All dollar amounts are based in U.S. currency

PROJECT ECONOMICS

Category	Unit	Pre-Tax	Post-Tax
CSPG (15 microns) >99.95% Carbon	\$/tonne	\$ 9,000	\$ 9,000
PMG (5 micron >80%) >98% Carbon	\$/tonne	\$ 2,000	\$ 2,000
CSPG Annual Production	tonnes	9,500	9,500
PMG Annual Production	tonnes	3,200	3,200
NPV (0%)	\$ Million	\$ 1,779	\$ 1,299
NPV (8%)	\$ Million	\$ 444	\$ 320
NPV (10%)	\$ Million	\$ 329	\$ 236
NPV (12%)	\$ Million	\$ 247	\$ 176
IRR %	%	52.2%	45.7%
Payback Period	Years	1.9	2.0
Net Revenue (less royalty)	\$ Million	\$ 2,439.5	\$ 2,439.5
Total Operating Cost	\$ Million	\$ 532.8	\$ 532.8
Total Capital Cost	\$ Million	\$ 127.6	\$ 127.6
Pre-Tax Cash Flow	\$ Million	\$ 1,779.0	\$ 1,779.0
Post-Tax Cash Flow	\$ Million	n/a	\$ 1,298.7

* Note: All dollar amounts are based in U.S. currency

OPERATING COSTS (Life of Mine)

As the Coosa Graphite Project's PEA is modelled on producing two finished (final) specialty, secondary-processed graphite products - a coated spherical graphite product (CSPG) and a purified micronized flake graphite (PMG) product - the operating costs per ton (and per tonne) for the 27-year life of mine (LOM) are blended and presented below. Operating costs per ton (and per tonne) include mining, milling and floatation, general and administrative expenses, filter cake transport, and purification.

Cost Per Ton Cost Per Tonne

Mine Operating Cost \$1,410 \$1,555

* Note: All dollar amounts are based in U.S. currency

SELLING PRICES

Product	Percentage of Annual Production	Selling Price
>99.95% Cg CSPG (15 microns)	75%	\$8,165 per ton (\$9,000 per tonne)
>98% Cg PMG (5 microns)	25%	\$1,814 per ton (\$2,000 per tonne)

* Note: All dollar amounts are based in U.S. currency

Pricing Assumptions: According to UK-based Benchmark Mineral Intelligence, widely regarded as one of the world's leading independent sources on battery input materials' prices, sales and demand forecasts, selling prices for coated spherical graphite (CSPG) for Li-ion batteries range from USD\$7,000 to USD\$12,000 per tonne. For the Company's CSPG product, AGC has utilized a conservative USD\$9,000 per tonne selling price in the Coosa Graphite Project PEA.*

Selling prices for purified micronized flake graphite (PMG) range from USD\$1,8000 to USD\$2,800 per tonne. For the Company's PMG product, AGC has utilized a conservative USD\$2,000 per tonne selling price in the Coosa Graphite Project PEA.*

* source: Benchmark Mineral Intelligence (2015)

Notes:

1. Canadian Institute of Mining, Metallurgy and Petroleum("CIM") Definition Standards for Mineral Resources and Mineral Reserves were followed for Mineral Resources
2. Mineral Resources are estimated at a cut-off grade of 1% Cg
3. Numbers may not add due to rounding
4. "Cg" is defined as "graphitic carbon"
5. All dollar amounts are based in U.S. currency unless otherwise noted

Cautionary Note: This PEA is considered by AGP to meet the requirements of a Preliminary Economic Assessment as defined by Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects. The economic analysis contained in the technical report is based, in part, on Inferred Resources (as defined in NI 43-101) and is preliminary in nature. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no guarantee that all or any part of the Mineral Resource will be converted into a Mineral Reserve. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves (as defined in NI 43-101). Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Measured or Indicated Mineral Resources. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no certainty that the reserve's development, production and economic forecasts on which the PEA is based will be realized.

Qualified Persons

Independent engineering firms AGP Mining Consultants Inc. and Metal Mining Consultants Inc. completed the Coosa Graphite Project Preliminary Economic Assessment technical report and are independent of the Company under National Instrument 43-101 ("NI 43-101") guidelines. The information in this news release relating to the mining and metallurgy portions of the 2015 Coosa Graphite Project Preliminary Economic Assessment was prepared by AGP Mining Consultants Inc.'s Mr. Gordon Zurowski, P.Eng., an independent Qualified Person as defined by National Instrument 43-101 guidelines, and Mr. Andy Holloway, P.Eng., an independent Qualified Person as defined by National Instrument 43-101 guidelines. The information in this news release that relates to the geology and mineral resource estimation portions of the PEA was prepared by Mr. Scott E. Wilson, C.P.G. from Metal Mining Consultants Inc., an independent Qualified Person as defined by National Instrument 43-101 guidelines.

Mr. Gordon Zurowski, P.Eng., Principal of AGP Mining Consultants Inc., is a Qualified Person as defined by

National Instrument 43-101 ("NI 43-101") guidelines, and has reviewed and approved the content of this news release.

About Alabama Graphite Corp.

[Alabama Graphite Corp.](#) is a Canadian-based flake graphite exploration and development company. The Company operates through its wholly owned subsidiary, Alabama Graphite Company Inc. (a company registered in the state of Alabama). With the most advanced flake graphite project in the contiguous United States of America, [Alabama Graphite Corp.](#)'s objective is to become the first producing American graphite mine this century. A highly experienced team leads the Company with more than a 100 years of combined graphite mining, graphite processing, specialty graphite products and applications, and graphite sales experience. [Alabama Graphite Corp.](#) is focused on the exploration and development of its flagship Coosa Graphite Project in Coosa County, Alabama, and its Bama Mine Project in Chilton County, Alabama.

As announced on October 13, 2015, the Coosa Graphite Project hosts an NI 43-101 Indicated Mineral Resource Estimate of 78.5 million tons grading 2.39% graphitic carbon (Cg) - the largest Indicated Mineral Resource of flake graphite in the United States. Please refer to the Company's technical report titled "*Technical Report - [Alabama Graphite Corp.](#) - Coosa Project*" dated November 17, 2015, prepared by Metal Mining Consultants Inc. and authored by Scott E. Wilson, C.P.G. and Stewart D. Redwood, F.I.M.M.M., and filed on SEDAR at www.sedar.com.

[Alabama Graphite Corp.](#) holds a 100% interest in the mineral rights for these two U.S.-based graphite projects, which are both located on private land. The two projects encompass more than 43,000 acres and are located in a geopolitically stable, mining-friendly jurisdiction with significant historical production of crystalline flake graphite in the flake graphite belt of central Alabama, also known as the 'Alabama Graphite Belt' (source: U.S. Bureau of Mines). A significant portion of the Alabama deposits are characterized by graphite-bearing material that is oxidized and has been weathered into extremely soft rock. Both U.S. projects have infrastructure in place, are within close proximity to major highways, rail, power and water, and are approximately three hours (by truck or train) to the Port of Mobile, the Alabama Port Authority's deep-seawater port and the ninth largest port by tonnage in the United States (source: U.S. Army Corps of Engineers/USACE). The state of Alabama's hospitable climate allows for year-round mining operations and the world's largest marble quarry (which operates 24 hours a day, 365 days a year in Sylacauga, Alabama), is located within a 30-minute drive of the Coosa Graphite Project.

For further information and updates on the Company or to sign up for [Alabama Graphite Corp.](#) News, please visit www.alabamagraphite.com or follow us on Twitter, Facebook and LinkedIn.

Disclaimer for Forward-Looking Information

This press release contains forward-looking information under applicable Canadian securities laws ("forward-looking statements") that are based on the beliefs of management and reflect [Alabama Graphite Corp.](#)'s current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements. Such statements reflect the current view of [Alabama Graphite Corp.](#) with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of graphite; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors disclosed in the Company's publicly filed documents. Forward-looking statements are also based on a number of assumptions, including that contracted parties provide goods and/or services on the agreed timeframes, that equipment necessary for exploration is available as scheduled and does not incur unforeseen breakdowns, that no labor shortages or delays are incurred, that plant and equipment function as specified, that no unusual geological or technical problems occur, and that laboratory and other related services are available and perform as contracted.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date

that statements are made and [Alabama Graphite Corp.](#) undertakes no obligation to update forward-looking statements (unless required by law) if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

Alabama Graphite Corp. cautions that the foregoing list of material factors and assumptions are not exhaustive. When relying on Alabama Graphite Corp. forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and assumptions and other uncertainties and potential events. Alabama Graphite Corp. has also assumed that the material factors and assumptions will not cause any forward-looking statements to differ materially from actual results or events. However, the list of these factors and assumptions is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

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