

Altura Mining Limited: Pilgangoora Lithium Update - PFS Mining Study Results

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Perth, Australia (ABN Newswire) - [Altura Mining Ltd.](#) (ASX:AJM) ("Altura" or the "Company") is pleased to announce the results of the Mining Preliminary Feasibility Study completed by Western Australian based mining consultants Orelogy Consulting Pty Ltd.

KEY FINDINGS OF PRE-FEASIBILITY MINING STUDY

Base Case - 1 Mtpa ore process rate

- o LOM Revenue of A\$1,350 million
- o LOM Cashflow of A\$609 million
- o NPV of A\$277 million and IRR of 42.5% (8% discount rate)
- o 18.92 Mt of total ore feed
- o 2.886 Mt of spodumene concentrate production

Option to increase ore feed to 2 Mtpa rate provides significant upside

- o LOM Cashflow of A\$623 million
- o NPV of A\$392 million and IRR of 60.0% (8% discount rate)

Increased resource estimate using the breakeven cut-off grade of 0.4% Li₂O

- o Upgraded mineral resource estimate of 35.7 million tonnes
- o 37% increase on previous estimate of 26.1 million tonnes

Note: A component of the resources underpinning the production target are classified as inferred mineral resources. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

The study has been completed to Prefeasibility Study level with Orelogy currently commissioned to further develop the scope of the current study to Definitive Feasibility level with completion anticipated at the end of March 2016.

Overview

Orelogy was commissioned by Altura to undertake a Mining Preliminary Feasibility Study (PFS) on the Pilgangoora Lithium project which is located approximately 90km to the south of Port Hedland in Western Australia. The Pilgangoora Mining Lease Application tenements, covering the resource modelling area, are M45/1230 and M45/1231 and cover an area of 394 hectares. The objective is to develop the Pilgangoora Lithium Project on the basis of a Concentrator Plant producing Spodumene concentrate at 6% Li₂O from an average feed to a plant of between 1.15 - 1.20% Li₂O.

The Mining Study assessed strategic options for development of the Project and determined an economic open pit mine operation, production schedule and site layout for the preferred option, as a basis for progressing to a Definitive Feasibility Study (DFS).

Mining Study Outcomes

Orelogy developed a high level cost model, exclusive of ongoing project study costs, taxation, interest and other accounting functions, to derive the EBIT financials. The results of the options assessment and

evaluation of the selected preferred option show that the Pilgangoora project has robust economics and warrants elevation to further levels of study.

The Base Case focussed on production of 150,000tpa of spodumene concentrate via processing of 1 M t p a ore feed. Initial marketing indications to Altura demonstrate that sales of spodumene concentrate in excess of the Base Case could be achievable therefore an increased production case of 2Mtpa ore feed has been evaluated. The results of the revised schedule confirm that the Pilgangoora project can support a higher production rate if market contracts for the spodumene product are secured.

Key outcomes are detailed in Table 1 in link below.

The 2Mtpa Case shows significant increase to the project NPV (increased from A\$277 million to A\$392 million) and IRR (from 42.5% to 60%) offset by a shortened mine life (10 years) and increased capital cost of A\$146.7 million.

The Base Case (1 M t p a ore feed) had the primary objective of a plant throughput of 1.0 Mtpa at a target feed grade between 1.15-1.20% Li₂O achieved for each period of the schedule up until Year 10. During this period Inferred Mineralisation included in mill feed was not significant, ranging between 0.5-6.2% with the maximum occurring in Year 1.

No pre-stripping period was required to meet the mill feed rates and although some lower grade ore was processed, the target feed grade range was met. Low grade material was stockpiled and only processed at the end of mining operations in Year 17.

The 2Mtpa Case is achieved via plant throughput of 2.0 Mtpa at a target feed grade between 1.15 -1.20% Li₂O achieved for each period of the schedule up until Year 7. During the first 5 years, the Inferred Mineralisation was kept to below 5% after which the Inferred Mineralisation feed content jumped to approximately 16% for the final two years of mining.

Cut-off Grade and Mineral Resources

During the mining study Orelogy has completed a number of mine scheduling scenarios in order to determine the optimum product output rate whilst maximising resource recovery.

The results have determined that the ultimate pit design inventory for the Pilgangoora project has a 0.4% Li₂O (breakeven) cut-off grade. The lower grade ore at approximately 0.4% Li₂O within the mining pit would be stockpiled and processed at the end of the mine life.

The determination of the breakeven cut-off grade of 0.4% Li₂O has a positive impact on the total amount of mineralised resources that can be reported for the Pilgangoora Lithium Project.

Altura has previously released a JORC compliant Mineral Resource estimate completed by Western Australian based geological consultants Ravensgate Mining Industry Consultants. This Mineral Resource estimate released on 14 September 2015 was based on a cut-off grade of 0.8% Li₂O (see Table 2 in link below).

The resultant breakeven cut-off grade value of 0.4% Li₂O as determined by the Mining Study has triggered a need to re-visit the previous Mineral Resource estimate work. Ravensgate have been able to re-visit the resource model and have calculated a revised Mineral Resource based on the 0.4% Li₂O cut-off grade.

Future Direction

The results from the Mining Study are extremely pleasing and once again confirm the significant potential of the project. The Company will continue to direct substantial resources to the project in line with its objective for fast tracking the development.

The Company believes the project delivers Altura's key objectives in:

- High demand commodity with compounding growth projections
- Potential for low cash operating costs due to shallow and thick high grade zones
- Manageable capital input utilising proven technology
- Access to excellent infrastructure including roads and ports
- Ideal proximity to significant Asian end user markets

- Well known mining area with stable governing laws

Altura will continue to proceed with the project feasibility as planned and is currently advanced in delivering the Definitive Feasibility Mining Study being compiled by Orelogy. The Company remains focused on delivering the Feasibility Study phase of the project by the end of the current quarter.

To view tables and figures, please visit:

<http://media.abnnewswire.net/media/en/docs/ASX-AJM-752423.pdf>

About Altura Mining Limited:

[Altura Mining Ltd.](#) (ASX:AJM) is a multi-faceted miner with significant lithium and coal projects in Australia and Indonesia and a diverse minerals exploration portfolio. With experienced leadership and a strong and supportive shareholder base, Altura's success is further underpinned by its solid suite of exploration and development projects. The company's Main focus is the development of its 100% owned Pilgangoora Lithium project in Australia. Altura also has interests in the producing Delta Coal project in Indonesia, and the Tabalong Coal project which is in the final stages of approvals before mining commences.

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