Prophecy Development Corp. Prepares to Drill Gibellini Vanadium Project

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Prophecy Development Corp. (“Prophecy” or the “Company”) (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2N) is initiating preparations for its exploration and verification drilling program on the Gibellini vanadium project in Q2 2018. A total of 4,880m of reverse circulation drilling in 64 holes are planned in the following target areas:

Gibellini: 33 holes total 2,740 meters

The report (the “Technical Report”) prepared by Amec Foster Wheeler E&C Services Inc. (“AMEC”) according to National Instrument 43-101, Standards of Disclosure for Mineral Projects (“NI 43-101”) with an effective date of November 10, 2017, estimated combined Measured and Indicated Mineral Resource of 22.01 million tons at a weighted average grade of 0.294% V_2O_5, containing 129.28 million pounds V_2O_5. The Inferred Mineral Resource estimate is 9.82 million tons at a weighted average grade of 0.19% V_2O_5 containing 37.27 million pounds V_2O_5.

(1) The Qualified Person for the estimate is Mr. E.J.C. Orbock III, RM SME, an AMEC employee. The Mineral Resource estimate has an effective date of 10 November 2017.

(2) Mineral Resources are reported at various cut-off grades for oxide, transition, and reduced material.

(3) Mineral Resources are reported within a conceptual pit shell that uses the following assumptions: mineral resource V_2O_5 price: $10.81/lb; mining cost: $2.21/ton mined; process cost: $13.14/ton processed; general and administrative (G&A) cost: $0.99/ton processed; metallurgical recovery assumptions of 60% for oxide material, 70% for transition material and 52% for reduced material; tonnage factors of 16.86 ft3/ton for oxide material, 16.35 ft3/ton for transition material and 14.18 ft3/ton for reduced material; royalty: 2.5% net smelter return (NSR); shipping and conversion costs: $0.37/lb. An overall 40º pit slope angle assumption was used.

(4) Rounding as required by reporting guidelines may result in apparent summation differences between tons, grade and contained metal content. Tonnage and grade measurements are in US units. Grades are reported in percentages.

Thirty-three (33) infill drill holes have been planned to increase the confidence level of a potential near-surface higher-grade starter pit (“HSP”) with the following historic drilling highlights:

Table 1. Historic drill results on the Gibellini Resource

Hole ID	From (m)	To (m)	Meters	% V_2O_5
T-38	3.05	45.72	42.7	0.755
including...	28.96	44.20	15.2	1.399
NG-47	1.52	57.91	56.4	0.533
including...	28.96	39.62	10.7	1.005
NG-6	6.10	70.10	64.0	0.455
T-33	1.52	57.91	56.4	0.462

including...	33.53	41.15	7.6	1.102
T-27	1.52	60.96	59.4	0.419
NG-12	22.86	60.96	38.1	0.652
including...	24.38	45.72	21.3	0.857
IG-2	4.57	53.34	48.8	0.501
NG-4	3.05	56.39	53.3	0.413

A successfully delineated HSP could be incorporated in the early mining sequence that can potentially boost metal recoveries, increase production throughput, and lead to faster investment payback.

Louie Hill: 28 holes total 1,765 meters

Also disclosed in the Technical Report is an inferred NI 43-101 compliant resource for the Louie Hill deposit of 7.06 million tons at a grade of 0.284% V_2O_5, or 40.2 million pounds of contained V_2O_5 metal with 1,765 meters of drilling. A total of 28 holes are planned for infill and expansion which are aimed to increase total resource tonnage, upgrade resource confidence level, and to delineate whether higher grade mineralized intercepts comprise continuous zones, based on the following past drill highlights:

Table 2. Historic drill results from the Louie Hill resource

Hole ID	From (m)	To (m)	Meters	% V_2O_5
UC58-1	1.52	24.38	22.86	0.457
UC58-11	16.76	30.48	13.72	0.489
UC58-13	13.72	25.91	12.19	0.428
UC58-3	0.00	27.43	27.43	0.406
including...	18.29	22.86	4.57	0.877
UC58-46	0.00	9.14	9.14	0.620
UC58-6	0.00	12.19	12.19	0.733
including...	0.00	7.62	7.62	0.936

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Middle Earth, Big Sky and Northeast Regional Prospects: 3 holes total 375 meters

Regional prospects are all within a three-kilometer trend of Prophecy’s controlled claims. Combined, the three prospects covers 2.5 squared kilometers which is over twice the size of Gibellini’s foot print (refer to plan map).

These prospects contain exposures of the same host rocks found at Gibellini and Louie Hill, known as the Woodruff Formation, which is comprised predominantly of various mudstones and lesser chert.

Over 390 trench results from Big Sky and Northeast targets and core samples from the historic drilling at Middle Earth target all demonstrated appreciable vanadium grades. Below are highlights from past trench and drilling:

Table 3. Historic results from exploration prospects on Gibellini property

Prospect	Hole ID/Trench	From (m)	To (m)	Meters	% V_2O_5
Middle Earth	UC58-18	0	4.572	4.6	0.567
Middle Earth	UC58-19	0	18.288	18.3	0.337
Northeast	TRENCH Nt3	3.0	60.0	57.0	0.270

A total of three holes total 375 meters are designed to drill test the three regional prospects. A discovery from those prospects could turn the area into a vanadium district play with already established vanadium resources at Gibellini and Louie Hill.

Concluding Comments

Danniel Oosterman, VP, Exploration states: “This carefully planned drill program could:

1. Establish a higher-grade starter pit that accelerates future project payback;

2. Increase resource tonnage and upgrade confidence level of Gibellini and Louie Hill resources; and

3. Expand the project into a vanadium district play with multiple discoveries.

Gibellini is the only black shale project in the world we are aware of, that can achieve up to 70% high metallurgical recoveries, as referenced in the November 2017 Technical Report, through heap leach without a costly, energy-intensive, high temperature pre-roasting step. With permitting, EPCM (engineering, procurement and construction management), and vanadium product off-take sales initiatives already underway, Prophecy’s Gibellini project offers the fastest pace, best leverage and a direct play in vanadium that reflects increased vanadium prices in a politically-safe, mining-friendly jurisdiction of Nevada, USA.“

Prophecy expects to report findings from an independent preliminary economic assessment of the Gibellini vanadium project in May 2018. Also in May, Prophecy expects to submit updated base line studies and an updated Plan of Operations for the Gibellini vanadium project to the Bureau of Land Management.

Visit www.prophecydev.com for plain view and sample cross sections of proposed drill holes.

The Company also announces that it has entered into separate agreements with Andreas Curkovic of Proconsul Capital Ltd. as well as Karen Michno (Willoughby) to provide investor relations and shareholder communication services for the Company, effective April 20th, 2018 and April 18th, 2018, respectively.

The Company further announces that pursuant to the terms of the Company’s share-based compensation plan as amended, which was approved by shareholders at the Company’s annual general meeting of shareholders held on June 2, 2016 and amended on June 13, 2017, it has granted in aggregate, 15,000 incentive stock options (the “Options“) to various consultants of the Company. The Options are exercisable at a price of $3.15 per Common share for a term of five years expiring on April 27, 2023 and vest at 12.5% per quarter for the first two years following the date of grant.

Qualified Person

The technical contents of this news release have been prepared under the supervision of Danniel Oosterman, VP, Exploration. Mr. Oosterman is not independent of the Company in that he is employed as a consultant to the Company and most of his income is derived from the Company. Mr. Oosterman is a Qualified Person as defined in NI 43-101.

References to historic results indicate work completed prior to the Company’s acquisition of the Gibellini project and thus fall under the category of “Historic” as defined by NI 43-101 and have not been otherwise verified.

About Prophecy

Prophecy Development Corp. is a Canadian public company listed on the Toronto Stock Exchange. The Company aims to provide exposure and leverage to rising vanadium prices by defining and adding attributable vanadium resources in the ground in politically safe jurisdictions. Further information on Prophecy can be found at www.prophecydev.com.

Prophecy Development Corp.
ON BEHALF OF THE BOARD

“JOHN LEE”
Executive Chairman

For more information about Prophecy, please contact Investor Relations:

+1.888.513.6286
ir@prophecydev.com
www.prophecydev.com

Neither the Toronto Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this news release, including statements which may contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or similar expressions, and statements related to matters which are not historical facts, are forward-looking information within the meaning of applicable securities laws. Such forward-looking statements, which reflect management’s expectations regarding Prophecy’s future growth, results of operations, performance, business prospects and opportunities, are based on certain factors and assumptions and involve known and unknown risks and uncertainties which may cause the actual results, performance, or achievements to be materially different from future results, performance, or achievements expressed or implied by such forward-looking statements. These estimates and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies, many of which, with respect to future events, are subject to change and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by Prophecy. In making forward-looking statements as may be included in this news release, Prophecy has made several assumptions that it believes are appropriate, including, but not limited to assumptions that: all required third party contractual, regulatory and governmental approvals will be obtained for the development, construction and production of Prophecy’s properties and the Chandgana power plant; there being no significant disruptions affecting operations, whether due to labour disruptions or other causes; currency exchange rates being approximately consistent with current levels; certain price assumptions for vanadium, silver, coal and other metals, prices for and availability of fuel, parts and equipment and other key supplies remain consistent with current levels; production forecasts meeting expectations; the accuracy of Prophecy’s current mineral resource estimates; labour and materials costs increasing on a basis consistent with Prophecy’s current expectations; any additional required financing will be available on reasonable terms; and market developments and trends in global supply and

demand for vanadium, energy, silver, coal and other metals meeting expectations. Prophecy cannot assure you that any of these assumptions will prove to be correct.

Numerous factors could cause Prophecy’s actual results to differ materially from those expressed or implied in the forward-looking statements, including the following risks and uncertainties, which are discussed in greater detail under the heading “Risk Factors” in Prophecy’s most recent Management Discussion and Analysis and Annual Information Form as filed on SEDAR and posted on Prophecy’s website: Prophecy’s history of net losses and lack of foreseeable positive cash flow; exploration, development and production risks, including risks related to the development of Prophecy’s mineral properties; Prophecy not having a history of profitable mineral production; commencing mine development without a feasibility study; the uncertainty of mineral resource and mineral reserve estimates; the capital and operating costs required to bring Prophecy’s projects into production and the resulting economic returns from its projects; foreign operations and political conditions, including the legal and political risks of operating in Bolivia and Mongolia, which are developing countries and being subject to their local laws; the availability and timeliness of various government approvals, permits and licenses; the feasibility, funding and development of Prophecy’s projects; protecting title to Prophecy’s mineral properties; environmental risks; the competitive nature of the mining business; lack of infrastructure; Prophecy’s reliance on key personnel; uninsured risks; commodity price fluctuations; reliance on contractors; Prophecy’s need for substantial additional funding and the risk of not securing such funding on reasonable terms or at all; foreign exchange risk; anti-corruption legislation; recent global financial conditions; the payment of dividends; the inability of insurance to cover all potential risks associated with mining operations; conflicts of interest; and cyber-security risks related to the Company’s reliance on information technology systems.

These factors should be considered carefully, and readers should not place undue reliance on Prophecy’s forward-looking statements. Prophecy believes that the expectations reflected in the forward-looking statements contained in this news release and the documents incorporated by reference herein are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although Prophecy has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Prophecy undertakes no obligation to release publicly any future revisions to forward-looking statements to reflect events or circumstances after the date of this news or to reflect the occurrence of unanticipated events, except as expressly required by law.

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Contact

Prophecy Development Corp.
Investor Relations:
Bekzod Kasimov, +1-888-513-6286
ir@prophecydev.com
www.prophecydev.com
or
Danniel Oosterman
ir@prophecydev.com

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