

Trigon Metals Announces Release of Feasibility Study That Shows a 103.4% IRR for Its Kombat Surface Mining Operations and Plant Restart

05.06.2018 | [GlobeNewswire](#)

HIGHLIGHTS OF THE FEASIBILITY STUDY (PHASE 1) PRODUCTION RESTART:

Saleable Copper Metal Tonnes

- Positive Feasibility Study confirms Phase 1 of the restart program to self-fund mill refurbishment and the reopening of the AFW shaft
- Robust base case after tax IRR of 103.4%
- Start-up capital cost for the Kombat open pits of US\$6.4 million, includes US\$4.7 million for plant refurbishment
- In 2020, 10.7 million lb of copper produced, generating projected revenue of US\$30.7 million, at a copper price of US\$3.10/lb and a C1 cash cost of US\$1.85/lb (base case)
- Base case free cash flows of US\$5.7 million (US\$7.7 million, at a high case copper price of US\$3.28/lb) to be utilized to fund exploration at AFW underground mine to achieve life of mine strategy
- Offtake and project finance facility (announced in September 2017) to be finalized on the back of the Feasibility Study submission to the lender
- Pre-Feasibility Study for the underground reopening to be completed in near term

TORONTO, June 05, 2018 (GLOBE NEWSWIRE) -- [Trigon Metals Inc.](#) (TSX-V:TM) ("Trigon" or the "Company") is pleased to announce the results of its feasibility study ("Feasibility Study") prepared by Minxcon (Pty) Ltd ("Minxcon") on the surface mining areas of the Company's Kombat operations located in northern Namibia ("Kombat").

The proposed surface mining operations in the Kombat East and Kombat Central areas (the "Kombat open pits") represent the first phase of the Company's life of mine ("LoM") strategy as presented in the recently published technical report entitled "NI 43-101 Technical Report on the Kombat Copper Project, Namibia", dated March 22, 2018, including a Preliminary Economic Assessment ("PEA"). Future phases of the strategy comprise the recommencement of the various historic underground mines at Kombat, starting with the Asis Far West underground mine ("AFW"), as well as surface mining at Gross Otavi, and ultimately back into Asis West to mine the gap area and explore the resource at depth.

The positive after tax net present value ("NPV") of US\$4.6 million (at a base case copper price of US\$3.10/lb) (US\$6.5 million at a high case copper price of US\$3.28/lb) and healthy internal rate of return ("IRR") of 103.4% for the Kombat open pits as presented in the Feasibility Study confirm the robust nature of the Kombat operations.

Stephan Theron, President and CEO of Trigon, commented: "The completion of the feasibility study is a major milestone for the Company and its stakeholders. We are extremely pleased with the positive results and look forward to taking the next steps towards production and further development. We have submitted the Feasibility Study results to our offtake and project finance partner and expect sign off and the availability of the funding facility in the near term."

A NI 43-101 technical report with respect to the Feasibility Study will be filed under the Company's profile on SEDAR within 45 days of this press release.

Financing Facility

As previously announced, Trigon, together with its 80% owned subsidiary, Manila Investments (Pty) Ltd (“Manila”), has agreed to terms with a major international trading house for a copper concentrate offtake from Kombat (the “Offtake”) and a financing facility of up to US\$7.7 million (the “Facility”) to fund the restart of open pit mining.

Trigon will act as guarantor for the Facility, and security will include first ranking charges and security interest over all present and future property and assets of Manila.

The terms of both the Offtake and the Facility are subject to various conditions precedent, including final due diligence and approvals from the trader, which are in the process of being completed.

Feasibility Study Results

Based on the Mineral Resource Estimates for the Kombat East and Kombat Central areas as presented in the table below, the Kombat open pits have an NPV of US\$4.6 million, at a real discount rate of 7.6%, which represents a payback period of 1.6 years and a highly attractive IRR of 103.4%.

The Company still plans to undertake additional drilling in the surface mining area with the goals of: (i) increasing the open pit Mineral Resource within the current pit boundaries, (ii) drilling between the Central and East pits, outside of the existing pit boundaries, and (iii) testing potential to the north and west of these areas. The three phase drilling program to extend the current open pit Mineral Resource comprises a further 34 holes, with an aggregate of 1,437 meters to be drilled, and may represent potential upside on the Feasibility Study results.

Summary of Economic Results

		Low Case	Base Case	High Case
Copper Price*	US\$/lb	2.99	3.10	3.28
Silver Price	US\$/oz	18	18	18
Revenue (LoM)	US\$ million	56.7	58.7	62.2
Free Cash Flows (LoM)	US\$ million	4.4	5.7	7.7
NPV 7.6% **	US\$ million	3.5	4.6	6.5
IRR **	%	75.0	% 103.4	% 158.9
Payback **	Years	1.8	1.6	1.5

**Low case and high case prices are based on the average 25th and 75th percentile consensus copper price over the LoM, as per various bank and analyst forecasts in real terms.*

***NPV, IRR and payback are reported after-tax.*

Mineral Resources and Reserves

The Feasibility Study analysis has been based on the Indicated Mineral Resource Estimates for the Kombat East and Kombat Central areas as at February 28, 2018, as presented in the table below.

The Mineral Resource Estimates were prepared and classified by Minxcon in accordance with the reporting guidelines as required by the Canadian Securities Administrators. The Qualified Person responsible for the declaration of the Mineral Resource Estimation is Mr. Uwe Engelman BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. Reg. No. 400058/08, MGSSA, who is a “qualified person” as such term is defined in NI 43- 101 and CIM definition standards.

Mineral Resource Estimate as at February 28, 2018

Mine Area	Mineral Resource Class	Tonnes Mt	Density t/m ³	Cu %	Pb %	Ag ppm	Cu Content t	Pb Content t	Ag Content kg
Kombat East	Indicated	0.951	2.82	1.03	0.92	1.01	9,806	8,721	961
Kombat Central	Indicated	0.578	2.81	1.32	0.41	5.96	7,623	2,341	3,440
Kombat West	Indicated	-	-	-	-	-	-	-	-
Total	Indicated	1.529	2.82	1.14	0.72	2.88	17,428	11,062	4,401
Kombat East	Inferred	0.397	2.85	1.11	0.78	1.63	4,409	3,096	648
Kombat Central	Inferred	0.287	2.84	1.37	0.87	5.92	3,926	2,502	1,701
Kombat West	Inferred	0.461	2.88	2.76	2.96	2.45	12,700	13,633	1,130
Gross Otavi	Inferred	0.643	2.84	0.93	2.50	0.85	6,006	16,053	546
Asis West	Inferred	2.475	2.88	4.05	1.28	32.36	100,214	31,735	80,078
Asis Gap	Inferred	0.166	2.83	2.35	0.35	21.15	3,909	590	3,514
Asis Far West	Inferred	1.082	2.85	3.42	0.10	35.81	37,000	1,036	38,763
Total	Inferred	5.511	2.86	3.05	1.25	22.93	168,163	68,644	126,380

Notes

1. The open pit Mineral Resource is declared to a depth of 150 m with a CuEq cut off of 0.77 % for Otavi and 0.6% for Kombat at a Cu Price of US\$8,535 per Cu tonne and Pb Price of US\$2,683 per Pb tonne.
2. The underground Mineral Resource (below 150 m) is declared at a CuEq cut off of 1.4 % at a Cu Price of US\$7,033 per Cu tonne and Pb Price of US\$2,315 per Pb tonne.
3. A geological loss of 15% for the Inferred and 10% for the Indicated Mineral Resource has been applied.
4. The Mineral Resources are exclusive of Mineral Reserves.
5. Mineral Resources are reported as total Mineral Resources and are not attributed.
6. Columns may not add up due to rounding
7. Inferred Mineral Resources have a large degree of uncertainty as to their existence and whether they can be mined economically. It cannot be assumed that all or any part of the Inferred Mineral Resource will be upgraded to a higher confidence category. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Mineral Reserve Estimate as at April 30, 2018

The Mineral Reserve Estimates were prepared and classified by Minxcon in accordance with the reporting guidelines as required by the Canadian Securities Administrators. The Qualified Person responsible for the declaration of the Mineral Reserve Estimation is Mr. Daan van Heerden B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng. Reg. No. 20050318, FSAIMM, AMMSA, who is a "qualified person" as such term is defined in NI 43- 101 and CIM definition standards.

Area	Reserve Classification	Tonnes Mt	Cu Grade %	Pb Grade %	Ag Grade g/t	Cu Content t	Pb Content t	Ag Content kg
East & Central	Probable Mineral Reserves	0.77	1.30	% 0.47	% 4.33	9,985	3,598	3,322

Notes:

1. Cu Cut-off of 0.71%.
2. Cu Price of US\$6,825 per Cu tonne and Ag Price of US\$572.83 per Ag kg.
3. Exchange Rate of NAD:US\$12.43.
4. The Mineral Reserves are reported as total Mineral Reserves and are not attributed.

Production and Processing

The Kombat open pits have a LoM of three years mining 767kt at an average mined grade of 1.3% copper as set out in the table below.

Item	Unit	Feasibility Study
Ore Tonnes Mined	kt	767

Average Cu Grade Mined %	1.3
Average Ag Grade Mined g/t	4.3
Total Cu Concentrate kt	42
Total Cu Metal Recovered kt	9
Total Ag Metal Recovered koz	94
LoM	Years 3

The estimated saleable copper tonnes over the LoM are illustrated in the graph below.

To view the graph visit,

<http://www.globenewswire.com/NewsRoom/AttachmentNg/94b1bd07-85eb-43f9-89a4-35360ec328ed>

Capital expenditure

The start-up capital required for first production from the Kombat open pits is estimated at US\$6.4 million, including contingencies. This includes US\$4.7 million for refurbishment of the existing mill and concentrator at a capacity of 35kt per month and phase 1 of a new tailings storage facility. The plant and infrastructure can also be used as a base for future underground operations as presented in the PEA dated March 22, 2018 as referred to above, but may require further expansion capital.

Revenue and operating costs

The Kombat open pits are forecast to generate revenue of US\$58.7 million over their LoM, based on the following commodity price forecasts (in real terms) as used in the Feasibility Study.

Item	Unit	2019	2020	2021
Silver	US\$/oz.	17.60	17.80	18.10
Copper	US\$/tonne	6,895	6,779	6,803
Copper	US\$/lb	3.13	3.07	3.09

Direct cash costs (C1) for the Kombat open pits consist of mining and plant operating costs, concentrate transport costs, treatment costs and refining costs. Other cash costs (C3) include corporate overheads and the Namibian revenue royalty of 3%. The Kombat open pits have an estimated all-in sustainable cost of US\$2.64/copper equivalent pound (“CuEq lb”).

The turnover, cost and earnings numbers are displayed in the table below per recovered copper equivalent pound.

Item	Unit	Feasibility Study
Copper Equivalent Tonnes*	Tonnes	9,286
Net Turnover	US\$/CuEq lb	3.10
Mine Cost	US\$/CuEq lb	0.76
Plant Costs	US\$/CuEq lb	0.61
Other Costs	US\$/CuEq lb	0.59
Direct Cash Costs (C1)	US\$/CuEq lb	1.95
Capex	US\$/CuEq lb	0.38
Production Costs (C2)	US\$/CuEq lb	2.33
Royalties	US\$/CuEq lb	0.09
Corporate Overheads	US\$/CuEq lb	0.22
All-in Sustainable Costs (C3)	US\$/CuEq lb	2.64

*Copper equivalent tonnes take into account payability terms as per the off-take referred to above.

Cash flows

The Kombat open pits are forecast to generate US\$5.7 million of free cash flows over the three year LoM, which cash is expected to be applied to the second phase of the Company's operations, being exploration and development at AFW.

AFW Pre-Feasibility Study

As previously announced, in conjunction with the Feasibility Study, the Company has undertaken a Pre-Feasibility Study on AFW, split into two phases being exploration and development, and mining.

Environmental Permitting

The Company applied to secure the Environmental Clearance Certificate required for open pit mining and associated activities, as well as that needed for exploration activities for underground mining at AFW, and awaits approval from the relevant Namibian authorities.

Qualified Person

Mr. D van Heerden B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng. No. 20050318, FSAIMM, AMMSA of Minxcon, is a "qualified person" as such term is defined in NI 43-101 and CIM definition standards and has reviewed and approved the technical information and data included in this press release. Mr. van Heerden is considered independent of Trigon.

[Trigon Metals Inc.](#)

Trigon is a publicly traded Canadian exploration and development company with its core business focused on copper operations in Namibia, one of the world's most prospective copper regions, where it has substantial assets in place. The Company continues to hold an 80% interest in five mining licenses in the Otavi Mountain lands, an area of Namibia widely recognized for its high-grade copper deposits. Within these licenses are three past producing mines including the Company's flagship property, the Kombat Mine.

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Cautionary Notes

This news release contains information with respect to certain Non-GAAP measures, including certain cash costs per pounds and all-in sustaining costs. These measures are included because these statistics are key performance measures that management may use to monitor performance. Management may use these statistics in future to assess how the Company is performing to plan and to assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a meaning within International Financial Reporting Standards ("IFRS") and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

This news release contains forward-looking statements. These statements include statements regarding the Feasibility Study, including without limitation, expected costs, capital required, production, revenues, free cash flow, life of mine (LoM), NPV and other economic and operational performance parameters metrics, the AFW Pre-Feasibility Study and mineral resources, the Company's strategies and the

Company's abilities to execute such strategies, the Company's ability to obtain the necessary permits and approvals, the Company's ability to restart the Kombat Mine, the Company's ability to obtain adequate financing, the Company's ability to execute on the Facility and the Offtake, the Company's expectations for the Kombat Mine, the economic viability of mining at the Kombat Mine and the Company's future plans and objectives. These statements are based on current expectations and assumptions that are subject to risks and uncertainties including, without limitation, risks and uncertainties inherent to economic studies; risks and uncertainties relating to: history of losses; requirements for additional capital; dilution; loss of its material properties; interest rates increase; global economy; no history of production; future metals price fluctuations, speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labor disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates may differ from what is indicated and the difference may be material; legal and regulatory proceedings and community actions; accidents, title matters; regulatory restrictions; permitting and licensing; volatility of the market price of Common Shares; insurance; competition; currency fluctuations; loss of key employees; uncertainties and risks inherent with doing business in a developing country, including, without limitation, war, corruption, terrorism, political instability and the uncertainty of the rule of law; and other risks of the mining industry. Actual results could differ materially because of factors discussed in the management discussion and analysis section of our interim and most recent annual financial statements or other reports and filings filed at www.sedar.com from time to time. We do not assume any obligation to update any forward-looking statements, except as required by applicable laws.

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