

# LeadFX Announces Updates to the Paroo Station Lead Mine Definitive Feasibility Study

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(All dollar amounts are in United States dollars unless otherwise indicated)

PERTH, Feb. 19, 2019 - [LeadFX Inc.](#) ("LeadFX" or the "Company") (TSX: LFX) advises that SNC-Lavalin Australia Pty updated the previously announced Paroo Station Lead Mine (the "Mine") definitive feasibility study dated February 28, 2018 (the "Original DFS") to incorporate the results of engineering work and a demonstration plant program undertaken in 2018 and 2019 (the "DFS Update").

The DFS Update has concluded that the proposed modifications to the existing flotation concentrator and the new hydrometallurgical facility flowsheet can produce 99.99% purity lead metal at a nominal rate of 70,000tpa, with design capacity to achieve 80,000tpa at an average cost of \$1,276/t Pb<sup>1</sup> (\$0.58/lb Pb) which accords with the Original DFS.

The life of the Mine, based on Proven and Probable<sup>2</sup> Ore Reserves, has been extended to 17 years (from the 15 years in the Original DFS) as a result of including the Ore Reserves at the Pizarro deposit, located 10km to the south of the mine, in the life of mine plan.

Total capital cost estimate for the proposed flotation concentrator modifications, hydrometallurgical facility and owners' share of power increased by \$28.3M from the Original DFS due to a number of flowsheet scope changes and application of different material and construction. The proposed concentrator modifications will increase ore throughput capacity to 2.185Mtpa. Included in the Original DFS was an allowance of \$21.8M for a new 18MW power plant on site. The Company has elected to source power generation from a third party provider who would build, own and operate the power plant on site and charge the project power 'over the life' of the mine.

The DFS Update estimates the total funding requirement to first production (before costs of finance and fees and the repayment of outstanding indebtedness) at \$183.7M, an increase of \$6.5M from the estimate previously reported in the Original DFS. The net present value at a spot price of \$2,040/t and a long term lead price of \$2,350/t Pb<sup>3</sup> (applying a discount rate of 8.25%) is estimated at \$184M - \$257M with an internal rate of return estimated at 24.6% at the long term lead price assumption.

An updated summary of Mineral Resources Estimates and Ore Reserve Estimates is shown in the tables included in the release.<sup>4</sup> The results of the DFS Update constitute a material change from the Original DFS. Accordingly, the complete Technical Report for the DFS Update will be prepared and filed in accordance with applicable securities laws.

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<sup>1</sup> Before legacy payments to Esperance Port Authority (\$9M), decommissioning costs (\$13M) and state government royalties at 2.5% of net sales

<sup>2</sup> The Proved Ore Reserve estimate is based on Mineral Resources classified as Measured, after consideration of all mining, metallurgical, social, environmental, statutory and financial aspects of the project. The Probable Ore Reserve estimate is based on Mineral Resources classified as Indicated, after consideration of all mining, metallurgical, social, environmental, statutory and financial aspects of the project.

<sup>3</sup> Per Wood Mackenzie independent market research (dated September, 2018).

<sup>4</sup> Mineral Reserves are a subset of Measured and Indicated Mineral Resources. The Mineral Reserve Estimate was developed to JORC (2012) standards which are accepted CIM under the use of a Foreign Code. The 2012 JORC Code uses the terms "Ore Reserve" and "Proved" which are equivalents to the terms "Mineral Reserve" and "Proven" respectively, as defined in NI 43-101.

Table 1 Mineral Resource Estimate<sup>5</sup> (February, 2019)<sup>6</sup>

Project	Prospect	Classification	Tonnes (Mt)	Pb (%)	Pb Metal (kt)
Magellan Hill	Cano	Measured	1.6	3.4	55
		Indicated	2.1	2.4	50
		Measured + Indicated	3.7	2.9	105
		Inferred	0.8	2.3	15
	Magellan	Measured	4.5	4.2	185
		Indicated	14.5	4.3	625
		Measured + Indicated	19.0	4.3	810
		Inferred	3.3	3.9	130
	Pinzon	Measured	0.1	6.1	5
		Indicated	9.5	4.1	390
		Measured + Indicated	9.5	4.1	395
		Inferred	2.0	3.5	70
Pizarro	Measured	0.0	0.0	0	
	Indicated	4.6	3.1	140	
	Measured + Indicated	4.6	3.1	140	
	Inferred	2.0	2.8	55	
Mine Stockpiles		Measured	2.9	2.4	70
Sub-total	Measured	9.1	3.5	315	
	Indicated	30.6	3.9	1,205	
	Measured + Indicated	39.7	3.8	1,520	
	Inferred	8.0	3.4	270	
Drake	Measured	0.0	0.0	0	
	Indicated	0.0	0.0	0	
	Measured + Indicated	0.0	0.0	0	
	Inferred	3.7	3.4	125	

Total (all prospects and stockpiles)	Measured	9.1	3.5	315
	Indicated	30.6	3.9	1,205
	Measured + Indicated	39.7	3.8	1,520
	Inferred	11.7	3.4	396

<sup>5</sup> All Mineral Resources have been reported using a cut-off grade of 1.3% lead. The Mineral Resource figures are based on the Mineral Resource Report which has been prepared by Kahan Cervoj (MAUSIMM, MAIG) who is an employee of Optiro Pty Ltd, and is a "Competent Person" as defined by the 2012 JORC Code. He is a "Qualified Person" for purposes of NI 43-101 and he supervised the preparation of and verified the above Mineral Resource figures.

<sup>6</sup> The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves. Due to rounding totals may not appear to add correctly. Table 2 Ore Reserve Estimate<sup>7</sup> (February 2019)

Pit	Category	Tonnes (Mt)	Pb (%)	Pb Metal (kt)
Cano	Proved	1.6	3.3	51.6
	Probable	1.2	2.4	29.9
	Total	2.8	2.9	81.5
Magellan	Proved	4.3	4.2	177.6
	Probable	13.1	4.1	542.2
	Total	17.4	4.1	719.8
Pinzon	Proved	0.1	5.9	5.0
	Probable	9.2	3.8	351.5
	Total	9.3	3.8	356.5
Pizarro	Proved	-	-	-
	Probable	3.9	3.2	125.1
	Total	3.9	3.2	125.1
Mine stockpiles	Proved	2.9	2.4	69.6
	Probable	-	-	-
	Total	2.9	2.4	69.6
Total	Proved	8.8	3.4	303.8
	Probable	27.4	3.8	1,048.7
	Total	36.3	3.7	1,352.5

<sup>7</sup> The Ore Reserve Estimate was developed by Mr. Adrian Jones, a full time employee of AMC Consultants Pty Ltd (AMC) and a "Competent Person" as defined by the 2012 JORC Code. Mr. Laurie Gillett FAusIMM of AMC is a Qualified Person for the purposes of NI 43-101 and he also supervised and verified the above Ore Reserve figures prepared by Mr. Jones, including the underlying sampling, analytical test and production data.

Qualified Persons

The scientific and technical information in this press release has been reviewed and approved by Mr. Kahan

Cervoj (MAUSIMM, MAIG), Mr. Lawrie Gillett (FAUSIMM) and Mr. Adrian Jones (MAusIMM). Each of the foregoing individuals is independent of the Company and is a Qualified Person within the meaning of NI 43-101.

### Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of applicable Canadian securities laws. Examples of forward-looking information in this news release include but are not limited to statements and information concerning the following: production, cost and capital cost; ore throughput capacity; total funding requirement; project net present value timing of and ability to secure project financing favorable to the Company (if at all); implementation schedule and forecasts; design and construction of the proposed Hydrometallurgical Facility; mineral resource estimates; ore reserve estimates; life of mine; mine plan and schedule; commodity price forecasts and modification and improvement plans for mining and processing lead ore at Paroo Station. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "contemplate", "target", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking information by its nature requires assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, and readers are cautioned not to place undue reliance on such information. These statements are based on expectations, estimates and projections as at the date of this news release and are subject to a number of risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this news release. These risk factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which is current only as of the date of this news release. All subsequent forward-looking information attributable to LeadFX herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. LeadFX does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this news release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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