

African Gold Group Announces Robust Definitive Feasibility Study for its 100,000 Ounce Per Year Kobada Gold Project With Renewable Energy Source

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TORONTO, June 17, 2020 - [African Gold Group Inc.](#) (TSX-V: AGG) ("AGG" or the "Company") is pleased to provide a *National Instrument 43-101: Standards of Disclosure for Mineral Projects* ("NI 43-101") compliant updated mineral resource and reserve estimate and results of the definitive feasibility study ("DFS") for the Company's Kobada Gold Project (the "Kobada Gold Project") located in southern Mali.

Highlights include:

- Average annual production of 100,000 ounces of gold per annum for the first 5 years of operation.
- Total gold production of 728,654 ounces over 9.4 years life of mine, based on current reserves.
- Average total operating cash costs US\$704/oz for the Life of Mine ("LOM").
- LOM All-In Sustaining Cost ("AISC") of US\$782/oz.
- Pre-tax NPV_{5%} of US\$283.9 million with an IRR of 45.5% and a post-tax NPV_{5%} of \$226 million with an IRR of 41.1% at US\$1,530/oz gold.
- Kobada Gold Project capital expenditure of US\$125 million (plus a contingency of US\$11 million).
- Total project capital expenditure payback of 3.82 years from start of production, based on a US\$1,530 per ounce gold price.
- Total project net cash flows after tax and capital expenditure of US\$327 million.
- A separate standalone 11 MW Hybrid Solar/Thermal Power Plant to supply power to the Kobada Gold Project will be funded by an independent power producer with power purchased at a very competitive kWh rate and significantly reduced greenhouse gas emissions.
- Total proven and probable mineral reserve has increased to 754,800 ounces of gold, a 48% increase from the mineral reserve estimate in the 2016 feasibility study of the Company with respect to the Kobada Gold Project (the "2016 Feasibility Study").
- Pit constrained mineral resource estimate in the inferred category increased to 1,138,810 ounces of gold with an average grade of 1.33 g/t Au, representing an 11.2% increase in resource and 37% increase in average grade.
- High measured and indicated resource to reserve conversion rate of 84%.
- Updated 2020 mineral reserve estimate represents, an increase of 48% in ounces and 114% in tonnes compared with the 2016 Feasibility Study.
- Further potential remains to significantly increase the resource and reserve along strike and depth at the Kobada Gold Project.

"We are very excited to deliver this DFS update, which shows a marked improvement over the 2016 Feasibility Study. We are pleased to announce significantly improved project economics on the back of a large jump in mineral reserves, based on a solid foundation of additional drilling, an updated resource model and a comprehensive test work program," comments Danny Callow, Chief Executive Officer of AGG. "We have worked tirelessly, despite the impact of COVID-19 to deliver this study on time and 20% below budget. Our flagship Kobada Gold Project has been increased to a 100,000 oz per annum operation. Based on the limited exploration drilling on only 4 km of the 30 km of identified structural shear zones on the property, we believe there is significant potential to improve the resources and reserves further with limited additional exploration. We have an advanced process plant design, we are fully permitted, and we are ready for the next phase of construction."

The study has been prepared with input from a number of independent consultants:

Minxcon Group (South Africa)	Mineral resources
DRA Met-Chem (Canada)	Mining, mineral reserves
Maelgwyn Mineral Services (South Africa)	Metallurgical test work

ABS-Africa (South Africa)	Environmental and social
Epoch Resources (South Africa)	Tailings facilities
SENET (South Africa)	Processing plant and infrastructure
SENET and CRESCO	Economic valuation and report compilation

Kobada Gold Project Overview

The Kobada Gold Project is located in southern Mali, approximately 125 km in a straight-line south-southwest of the capital city Bamako, and is situated adjacent to the Niger River and the international border with Guinea.

The Kobada Gold Project is based on one mining exploitation permit of 136 km² and one exploration permit of 80 km² which are wholly owned by AGG Mali SARL, the local Malian Company, 100% owned subsidiary of African Gold Group.

AGG completed 116,870 metres of diamond, reverse circulation, air core and auger drilling between 2005 and 2012. In 2015, AGG completed a further 1,398 metres of diamond core drilling over 136 diamond drill holes. The current AGG exploration re-commenced in August 2019 and an additional 11,428 metres of diamond core have been drilled.

Gold mineralization is present in the laterite, saprolite, and quartz veins that comprise the project, and in the sulphidic hard rock underneath. There are also placer style deposits in the region.

Mine Planning

DRA/Met-Chem (a company of DRA Americas) undertook the mine planning process, based on the measured and indicated mineral resources delineated to date at the Kobada Gold Project.

Pit optimizations were undertaken using the following parameters:

Gold price	US\$1,450/oz (base case)	
Mining Costs	US\$ 2.5/t to US\$3.0/t	
Processing Costs	US\$ 9.9/t to US\$12.3/t	
Mining dilution	5% at zero grade	
Mining recovery	95%	
Pit slopes	40° overall slope angle	
Metallurgical recovery	Laterite Oxide ore	96.5%
	Saprolite Oxide ore	96.5%
	Transitional ore	90.5%

The Kobada Gold Project deposit is planned to be mined with a standard open-pit mining method using articulated trucks and a hydraulic loader (hydraulic shovel or excavator). Approximately 90% of the raw material to be mined is contained in the saprolite and laterite ores, and the vast majority will be free digging.

The final pit design for the Kobada Gold Project deposit has a main pit (Central Pit) of approximately 2.6 km long, with a maximum width of 500 m and a maximum depth of 185 m. North and South of the central area are some smaller satellite pits, as shown in Figure 1.

Figure 1: Kobada Final Pit Design is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/5c3d38bd-98af-4e31-9969-6443408e9b0e>

The open pit mining operation will last approximately five and half years, during which the lower-grade material will be stockpiled on a pad close to the primary crusher location.

The mine plan targets higher grade ore zone at the early phase of the project to feed into the process plant in order to produce 100,000 oz per annum for the first 5 years, and thereafter lower production output as the grade drops and stockpiles are treated.

Over the life of the project, 27.13 Mt of ore will be mined and delivered to the processing facility, and a total of 72.35 Mt of material will be mined and placed on the waste dumps, representing a life of mine stripping ratio of 2.67:1.

The mining operations will be undertaken by a specialized contractor selected by AGG. This contractor will be responsible for the management and maintenance of its own mining fleet and operators, while AGG will oversee the mine planning and geological grade control aspects of the operation.

Mineral Reserve

This updated mineral reserve and resource estimate at Kobada Gold Project, as summarized in Table 1 and Table 2, was prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum "CIM" (2014) Definition Standards incorporated by reference in NI 43-101, and is the result of 11,428 meters (67 drill holes) of drilling completed by the Company between H2 2019 and H1 2020 in addition to the historical drilling completed in previous years.

Table 1: Kobada`s Mineral Reserve Estimate

Reserve Classification	Tonnage ¹ (Mt)	Grade (g/t)	Contained Gold (kg)	Contained Gold (oz)
Proven ²	11.04	0.95	10,460	335,000
Probable ²	16.09	0.81	13,017	407,000
Proven and Probable ^{2,3,4}	27.13	0.87	23,476	732,000

Notes:

1. Numbers may not add due to rounding
2. Mineral reserves were estimated using a gold price of US\$1,450 per ounce of gold
3. The Cut-off Grade used to estimate the Mineral Reserves was 0.37 g/t, with a dilution of 5%
4. Only Laterite, Oxide and Transition material from the Measured and Indicated Resource Categories were considered

Mineral Resource

Table 2: Kobada`s Mineral Resource Estimate

Resource Classification	Tonnage (Mt)	Grade (g/t)	Contained Gold (kg)	Contained Gold (oz)
Measured	24.63	0.79	18,379	590,910
Indicated	22.02	0.95	18,673	600,350
Measured & Indicated	46.66	0.86	37,052	1,191,270
Inferred	31.54	1.33	35,421	1,138,810

Notes:

- Pit constrained mineral resources were estimated at a cut-off grade of 0.35 g/t Au
- Mineral resources were estimated using long-term gold price of US\$1,600 per ounce of gold
- Geological losses applied to mineral resource classification of 5% Measured, 10% Indicated and 15% Inferred
- A recovery of 95% for gold was used
- Only resources within the resource pit are declared
- The Mineral resource is inclusive of mineral reserves
- Numbers may not add due to rounding

"We are very happy to present a much-improved resource and reserve statement," says Dr.

Andreas Rompel, Vice President Exploration of the Company. “Whilst most of the drilling was focused on infill drilling and improving the confidence level and the quality of the resource model, some holes drilled to the north of the 4 km main shear zone showed huge promise for future exploration. After two drilling phases we were in a fantastic position to upgrade large parts of the inferred resource in the oxides to the indicated category and subsequently convert these into additional reserves. This gives us confidence for future exploration to significantly extend the life of the mine at the Kobada Gold Project. These new figures submitted here represent a substantial improvement to the previous feasibility study from 2016 and will allow us to finalise the pending feasibility study shortly.”

2019 – 2020 Drilling Program

The diamond drilling program at the Kobada Gold Project commenced in November 2019 and, the Company has drilled over 11,428 meters (67 drill holes). The 2019-2020 drilling program has been separated into two phases. Phase 1 was designed to confirm and upgrade the confidence level in the 2016 Feasibility Study. A total of 5,600 meters was drilled in 34 holes as presented in Figure 2. The core drilling was designed to infill specific areas across the main shear zone and validate the 2016 Feasibility Study.

Phase 1 drilling program did indeed confirm the expected resources and additional ounces of gold were identified along the 4 km strike length of the main shear zone. Gold mineralization was confirmed, with more oxide resources upgraded from the inferred to the indicated and measured categories.

A variety of alternation zones were tested throughout the Phase 1 program to delineate the thickness and mineralization of the laterite, saprolite, transition and sulphide zones of the ore body.

Phase 2 aimed at finding additional resources along the northern extension of the shear zone at the Kobada Gold Project. The Company was successful in testing the depth extension of the oxides, the transition zone and the sulphide zone, found additional resources in an area which was so far untested and proved gold mineralisation being continuous down-dip along the shear zone into the sulphides.

Figure 2: Phase 1 drill hole locations is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/d2594a19-ba10-404c-85f2-edc5094bdd44>

Exploration Upside and 2020 Guidance

With only a limited amount of additional drilling, the Company expects to convert further ounces from the inferred oxide resource category to the indicated category. With a resource to reserve conversion of 84%, and a total of 574,850 oz of oxide resource in the inferred category, it is expected that the overall reserve could increase significantly. The plan is to undertake this drilling during the second half of 2020.

The drill results of Phase 1 and 2 indicate that the deposit remains open at depth and along strike, with a significant extension being delineated to the north of the main mineralised shear zone.

While only 4 km of the main shear zone at the Kobada project were considered for the DFS, a further 26 km of shear zones have been identified on the concessions with high-grade satellite deposits at the Gosso target and Faraba. These targets represent an attractive potential for the future sources of production.

The Company is confident that with limited drilling and a high resource to reserve conversion rate, the inferred oxide resources can be converted into additional reserves. This will be a priority during 2020 and will result in mine life being extended. Additional exploration on the highly prospective northern main shear zone and the Gosso target is expected to further increase the probability of additional resources, and this will be a target during 2020-2021.

The mineral resource and mineral reserves statements in this press release will be published in the DFS, which will be filed within 45 days in accordance with NI 43-101 requirements.

Processing

In the 2016 Feasibility Study, test work was conducted to support a process flowsheet based on recovering gold through gravity means only, and other recovery options were not assessed.

As part of the DFS study, a detailed metallurgical testwork programme on representative composite samples across the mineralized zones was carried out in two phases.

Phase 1 of the metallurgical testwork involved investigating the optimum treatment route by assessing all possible gold recovery methods. Phase 2 involved optimizing the processing flowsheet to obtain the parameters to enable design of the gold processing facility for optimum gold recovery. Variability testwork was conducted to establish the degree of variability within the ore zones with respect to their metallurgical response using the optimum conditions determined in Phase 2.

The test work was completed by Maelgwyn Mineral Services (“MMS”) in South Africa, who was retained by SENET, the Company’s project manager for the DFS. Results from the metallurgical testwork were used for the flowsheet development and design of the gold processing plant for the Kobada Gold Project. Outcomes from the testwork indicated that:

- The ore is easy to treat with expected recoveries in the order of 96% for both saprolite and laterite ore types.
- The ore is extremely soft (low hardness and abrasion), which will result in low power requirement and low wear on liners and mill media.
- Low deleterious elements resulting in low reagent use, and lower operating cost.
- Low oxygen demand which will not require oxygen sparging in the leach tanks.
- Low reagent consumption.

The proposed process plant design is based on a proven and established gravity/carbon-in-leach (“CIL”) technology, which consists of crushing, milling, and gravity recovery of free gold, followed by leaching/adsorption of gravity tailings, elution and gold smelting, and tailings disposal. Services to the process plant will include reagent mixing, storage and distribution, water, and air services.

The plant will treat 3 Mtpa of saprolite ore or a blend of saprolite and laterite ore in a 90/10 split, respectively, to produce 100,000 oz of gold per annum. The process plant was designed on the following principles:

- Simplified, compact process plant, minimising the requirement of expensive and long lead front-end process equipment.
- Easy to upgrade in the future.
- Simple to operate and cost effective, in terms of capital and operating costs.
- The flexibility to exceed 100,000 oz per year of output based upon input feed grade and tonnage.
- Highly flexible process able to treat varying ore grades and ore types with no significant increase in reagent consumption.

Power

Due to the relatively poor electricity infrastructure in the region, tying into the national power grid is not a feasible solution. SENET undertook studies to investigate the potential for a standalone 11MW Power plant for the DFS.

An in-depth study found that the development of a hybrid solar PV, battery energy storage system (“BESS”) and thermal power plant funded by an Independent Power Producer (the “IPP”) to be the best option. This will reduce the CAPEX required, lowering the initial investment as the equipment is owned by the IPP and in addition lowers the operational risk with a very competitive power purchase rate.

The inclusion of the hybrid solar PV along with the thermal power plant will not only save on energy cost but will also significantly reduce the mine’s environmental footprint in the region. The BESS will provide additional redundancy to the thermal plant and the system will be fully integrated with the mining operations to ensure de-risked mining revenue generation.

This option will not only compliment AGG's environmental strategy, but also presents an opportunity to reduce costs over the life of the Kobada Gold Project with improved reliability, cost-effectiveness, and redundancy to the total power requirements.

Highlights of the hybrid power system include;

- Significant annual power savings over a conventional thermal power system of more than 22% and an annual saving of over \$5 million on cost of power,
- Reduction of;
 - over 5 million litres of HFO,
 - over 14 million kg of carbon dioxide emissions,
 - over 8,000 kg of carbon monoxide emissions,
 - over 720 kg of unburned hydrocarbons,
 - over 34,000 kg of sulfur dioxide,
 - nearly 62,000 kg of nitrogen oxides.

Water

Raw water supply shall be achieved by a combination of raw water abstraction from the Niger River, and supplementary water supply from the eight open pit outer perimeter dewatering boreholes.

The water from these supplies shall be stored in a newly constructed 20,000 m³ raw water buffer dam located mid-way between the process plant and the Niger River. The process plant shall feature additional water storage facilities in terms of a 3,500 m³ raw water pond, a 10,600 m³ process water pond and a 4,500 m³ stormwater pond, respectively. Process water will be supplied by pumping supernatant water back from the TSF (as defined below).

Tailings Management

Epoch Resources (Pty) Ltd undertook the study design associated with the Tailings Storage Facility (“TSF”). The TSF is a HDPE lined, full containment valley type arrangement, with a life of mine (“LOM”) tailings storage requirement of 25.9 Mt at a deposition rate of 3 million dry tonnes/annum. The TSF infrastructure includes a slurry distribution pipeline, catchment paddocks, toe drain system, underdrainage system, curtain drain system, blanket drain system, solution collection pipeline, collection sumps and manholes, seepage cut-off trench, storm water diversion trenches, emergency spillway, access roads and perimeter fence-line. A floating barge decants supernatant tailings slurry water and storm water from the TSF back to the plant.

The TSF is to be constructed in phases over the LOM, utilizing open pit overburden material, in three downstream lifts following the construction of the initial starter embankment. The construction of Phase 1 has been split into Phase 1A in the first year of construction and Phase 1B in the second year of construction.

The full containment TSF design was adopted to take cognisance of the imminent Global Tailings Standards and International Commission on Large Dams Tailings Dams Safety, both currently in draft status, which refer to robust TSF designs and potentially liquefiable tailings.

Accessibility and Transport/Logistics

SENET and Bollor? Logistics have undertaken surveys with detailed analysis of access routes to the Kobada project site for plant and equipment as well as ongoing production materials and consumables.

Based on the international routes and climate conditions, as well as size of cargo to be transported, either of the two major routes (i.e. from Abidjan or Dakar) will be used for the project to gain access to Bamako and the Kobada site. These routes are via:

- International ports to Abidjan (Cote D'Ivoire) by sea, and Abidjan to site by road freight (for containers).
- International ports to Dakar (Senegal) by sea, and Dakar to site by road freight (for abnormal loads/break bulk).

Alternatively, international airports to Bamako Airport (Mali) via commercial airlines (for airfreight).

From Bamako, transportation of materials and consumables to the site will be via the existing roads that link Bamako to Kobada village and the AGG camp comprising two distinct access routes.

The preferred access route to the Kobada site is accessible in approximately 3 – 4 hour's drive in a south-west direction from Bamako. After crossing the Niger by barge there is approximately 8 km of untarred roads.

An alternate access route from Bamako to the Kobada mine site is via the RN7 (Bamako–Sikasso) for 80 km to the Silingu road junction, thereafter an additional 60 km of paved road to Silingu. Thereafter there is 52 km of laterite road to site. The construction of a new low-level bridge across the Fi River was addressed in the study and included in the capital expenditure.

Refining

There is no gold refining capability in Mali and thus dor produced at Kobada is to be refined outside the country, either in South Africa, Europe, or Dubai. Initial discussions have been held with refineries and although no agreements have been entered into, it is anticipated that the dor will be treated at the Rand Refinery in South Africa.

Environmental and Social Aspects

Africa and Business Consulting Mali (‘ABCOM’), together with ABS Africa (Pty) Ltd and Insuco Limited, have been appointed to undertake an Environmental and Social Impact Assessment (‘ESIA’) for the Kobada Gold Mine Project. The present phase of the environmental assessment work comprises detailed characterization of the environmental baseline, quantification of impacts and development of management, monitoring and closure and rehabilitation plans. Baseline studies were undertaken during October and November 2019 with a follow-up wet season biodiversity survey scheduled for Q3 2020.

A socio-economic baseline assessment has been completed for the project, but due to the COVID-19 travel restrictions the community consultation and impact assessment is currently on hold and will be completed as soon as the lockdown is lifted. However, initial consultations before the lockdown indicated positive support for the project.

Key Impacts

Key environmental and social impacts identified to date as part the ESIA process, are summarized as follows:

- Employment opportunities during the construction and operational phase. This will translate into an improved standard of living for those hired and their families.
- National, regional, and local businesses and contractors will benefit both directly and indirectly from Kobada Gold Project-related construction and operational activities due to the purchase of goods and services.
- Project development has the potential to provide increased availability and opportunity for a wide range of skills development and job training, particularly for women and local youth.
- During all the phases of the Kobada Gold Project, payment of dividends, tax on taxable income, royalties and surface rent will contribute to the fiscus.

In order to achieve the appropriate environmental management standards and ensure that the findings of the environmental studies are implemented through practical measures, the recommendations from the ESIA

have been used to compile an Environmental and Social Management Plan (“ESMP”). The role of the ESMP is to assist AGG in reducing potential impacts and risks and achieving its environmental objectives as well as fulfilling its commitment to the environment. The ESMP will be used to ensure compliance with environmental specifications, monitoring and management measures.

AGG will develop a series of Environmental Action Plans, in order to manage anticipated impacts, as per the requirements of the IFC’s Sustainability Framework.

Capital Costs

The tables below summarize the estimated capital costs for the Kobada Gold Project as estimated by the independent consultants. These costs were in almost all cases built up from quotations and proposals from equipment and service providers.

The Feasibility Study costs currently utilize a contractor owned and operated mining fleet. The contractor mining option given the lower initial capital cost was found to be the preferred option for the project.

The TSF will be developed in three distinct phases corresponding to “lifts” of the full containment dam wall. This has allowed for the costs to be allocated to the initial capital expenditure budget for the first phase and for sustaining capital for phases two and three.

All financial analysis for the Life of Mine includes the total design, construction and commissioning, production, and closure.

Table 3: Total Initial Project Capital Costs

Description	Capital Cost	Contingency	Total Capital Cost
	US\$	US\$	US\$
Initial Capital			
Mining Pre-Production and Establishment	25,473,951	2,547,395	28,021,346
Plant and Infrastructure	72,291,850	5,505,832	77,797,682
TSF Phase 1	19,134,389	1,913,439	21,047,828
Pre-Production Costs	8,390,148	839,015	9,229,163
Total Initial CAPEX	125,290,338	10,805,681	136,096,019

Table 4: Total Sustaining Project Capital Costs

Description	Capital Cost	Contingency	Total Capital Cost
	US\$	US\$	US\$
Sustaining Capital			
Mining	7,001,057	0	7,001,057
TSF Phases 2 and 3	31,773,642	0	31,773,642
Mine Wide -Resettlement	1,449,706	1,409,270	2,858,976
Mine Wide-Rehab and Closure	10,336,847	494,104	10,830,951
Mine Wide Post Closure Costs	4,569,702	68,611	4,638,313
Total Sustaining Capital	55,130,954	1,971,985	57,102,939

Operating Cash Costs

The following operating cash costs were estimated and incorporated into the financial analysis:

Table 5: Total Operating Cash Costs LOM

	LOM	
	US\$/t processed	US\$/oz
Mining	8.15	303.52
Processing	7.08	143.74
G & A	2.24	83.29
Refining & Transport	0.20	7.59
Royalties	1.23	45.86
Total	18.91	704.01

Financial Analysis

The Kobada Gold Project financial analysis was prepared using the discounted cash flow model. In preparing this model there have been several assumptions and material factors that have been employed which are presented in Table 6.

Table 6: Financial Model Assumptions

Description	Unit	Assumption
Revenue		
Gold Price	US\$/oz	1,530
Refining Losses	%	0.08%
Discount Rate	%	5.0%
Fuel Prices		
Diesel Price	US\$/L	0.557
HFO Price	US\$/L	0.428
Fiscal		
Government Royalty	%	3%
Government Free Carry Equity	%	10%
Tax Holiday	Years	3
Tax Rate (after tax holiday)	% of profits	30%
Tax Rate if there is loss	% of annual turnover	1%
Dividend Tax	%	10%
Depreciation	%	10% over 10 years
Conversion Factors		
Grams to Ounces	g/troy oz	32.1505
Diesel SG	t/m ³	0.85
HFO SG	t/m ³	0.97
Other Charges		
Bullion Transport & Refining Costs	US\$/oz	7.59
	ZAR/US\$	17.00
	US\$/â,-	0.92
	US\$/?	0.80
Exchange Rates	US\$/A\$	1.55
	US\$/C\$	1.35
	CFA/â,-	655.72
	CFA/US\$	604.66

The findings of the model are summarized in Table 7.

Table 7: Summary of Financial Findings

DESCRIPTION		PRE-TAX	AFTER TAX
LOM Tonnage Ore Processed	t (000)	27,134	27,134

LOM Feed Grade Processed	g/t	0.873	0.873
Production Period	years	9.4	9.4
LOM Gold Recovery	%	95.7%	95.7%
LOM Gold Production	oz (000)	728.7	728.7
LOM Payable Gold After Refining Losses	oz (000)	728.1	728.1
Gold Price	US\$/oz	1,530	1,530
Revenue	US\$ million	1,114	1,114
Total Initial Capital Cost (including contingency)	US\$ million	136.1	136.1
LOM Operating Costs	US\$/oz	704	704
AISC	US\$/oz	782	782
NPV	US\$ million	284	226
IRR	%	45.5%	41.1%
Discount Rate	%	5%	5%
Discounted Payback Period	Years	3.82	3.82
Project Net Cash	US\$ million	407.8	325.7

The following tables detail the NPV and IRR sensitivities of the project to gold price, CAPEX, OPEX, recovery and feed grade. Before these the Sensitivity analysis percentages are shown.

Figure 3: Sensitivity on NPV is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/712ceffd-1ae3-4b28-bf21-4c308d7baf57>

Table 8: Key project metric sensitivity to gold price

Average Gold Price (US\$/oz)	1,301	1,377	1,530	1,683	1,760
NPV @ 5% (After Tax) US\$M	124	158	226	294	329
IRR %	25%	31%	41%	51%	56%
Cash Flow Payback Years	5.17	4.63	3.82	3.38	3.21
Maximum Funding US\$M	138.20	138.02	137.61	137.21	137.01

Table 9: Gold price and discount rate sensitivity analysis

NPV @ 5% (After Tax) US\$M	Discount Rate			
	0%	5%	10%	
1,301	195	124	75	
1,377	239	158	102	
Ave Gold Price US\$/oz	1,530	327	226	156
1,683	416	294	211	
1,760	460	329	238	

Table 10: Gold price and head grade sensitivity analysis

NPV @ 5% (After Tax) US\$M	Average Gold Price (US\$/oz)					
	1,301	1,377	1,530	1,683	1,760	
0.742	35	64	124	181	210	
0.786	64	95	158	218	249	
Average Head Grade g/t	0.873	122	156	226	293	327
0.960	180	217	294	368	406	
1.004	209	248	328	405	445	

Table 11: Gold price and operating costs sensitivity analysis

NPV @ 5% (After Tax) Average Gold Price (US\$/oz)

		1,301	1,377	1,530	1,683	1,760
US\$M						
	-15 %	169	203	273	340	389
	-10 %	153	187	257	324	373
Change in OPEX	0 %	122	156	226	293	340
	10 %	91	125	195	262	308
	15 %	75	109	179	246	292

Table 12: Gold price and capital costs sensitivity analysis⁵⁵

NPV @ 5% (After Tax) Average Gold Price (US\$/oz)		1,301	1,377	1,530	1,683	1,760
US\$M						
	-15 %	139	173	243	310	344
	-10 %	133	167	237	304	339
Change in CAPEX	0 %	122	156	226	293	327
	10 %	111	145	215	282	316
	15 %	106	139	209	276	311

Table 13: Gold price and percentage recovery sensitivity analysis

NPV @ 5% (After Tax) Average Gold Price (US\$/oz)		1,301	1,377	1,530	1,683	1,760
US\$M						
	80.7 %	35	64	124	181	210
	85.7 %	64	95	158	218	249
Recovery %	95.7 %	122	156	226	293	327
	96.7 %	128	162	233	300	335
	98.7 %	140	175	247	315	351

Project Opportunities

The DFS has been completed based upon drilling of only 4 km of the main shear zone. Several other geologically similar shear zone structures have been identified on the concession and these are yet to be drilled. There exists a significant opportunity to increase the size of the measured and indicated resource through targeted limited infill drilling in the inferred resources which would be an opportunity to increase mine life.

The Company, with the assistance of SENET has advanced the engineering of the project past the level that is required for a DFS. A large part of the process plant is designed to a detailed engineering level, including earthworks and civil engineering drawings issued for construction. Ongoing schedule optimization may result in reducing the construction schedule and bringing first gold forward by a number of months.

Development Timetable

Construction of the process plant and associated infrastructure including Phase 1 of the TSF for the Kobada Gold Project is expected to take 19 months. First gold will be achieved where after the process plant will be ramped up to produce nameplate capacity within the following 2 production months. The mine is designed with ease of construction and operation as a priority. The simplified and compact process plant flowsheet minimizes the requirement for expensive and long lead process equipment, thereby substantially reducing the construction time.

“Utilising known technology to develop a robust plant flowsheet suitable for West African conditions, yet simple and flexible in design, has allowed us to fast-track the development of the engineering to a stage where much of the plant is now at detailed design level. This allows us to shorten the schedule significantly and save on engineering costs,” says Danny Callow, Chief Executive Officer of AGG.

The Company also intends to outsource key specialised components of the plant from the best in class

providers, including a state-of-the-art hybrid, solar PV, thermal and BESS, fuel storage and supply, and the mining and TSF contract.

Qualified Person

This DFS was prepared under the supervision of Nick Dempers, Principal Process Engineer at SENET and a "Qualified Person," as such term is defined in National Instrument 43-101.

The contents of this press release have been reviewed and approved by:

- Nicholas Dempers, MSc Eng (Chem), BSc Eng (Chem), BCom (Man), Pr.Eng (RSA), Reg.No 20150196, FSAIMM (RSA), Principal Process Engineer of SENET (Pty) Ltd with respect to processing and infrastructure,
- Uwe Engelmann, BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA, a director of Minxcon (Pty) Ltd. with respect to mineral resources,
- Patrick Perez, MSc (Geology), P.Eng (Association of Professional Engineers and Geoscientist of Saskatchewan, license #16131), a manager mining engineer of DRA Americas, a company of DRA Global with respect to mining and mineral reserves,
- Guy John Wild, BSc Eng., MSc Eng. and P. Eng (#940269), a Director and Senior Tailings Dam Engineer at Epoch Resources with respect to the tailings dam,
- Fanie Coetzee, B.Sc Hons (Environmental Management), Pr.Sci.Nat. No 40044/04, Director of ABS Africa with respect to the ESIA.

Each of the aforementioned individuals are independent Qualified Person as defined by NI 43-101.

About African Gold Group

African Gold Group is a Canadian listed gold company on the TSX Venture Exchange (TSX-V: AGG) with expansive holdings in West Africa's prolific Birimian Greenstone Belt including more than 460 km² across Mali and Burkina Faso with a focus on the development of the Kobada Gold Project in southern Mali. For more information regarding African Gold Group visit our website at www.africangoldgroup.com.

ON BEHALF OF THE BOARD OF DIRECTORS

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This press release contains "forward-looking information" within the meaning of

applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding, the DFS and the summary information extracted therefrom, the exploration plans of the Company at the Kobada Gold Project and the development timetable for the Kobada Gold Project. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of AGG to be materially different from those expressed or implied by such forward-looking information, including but not limited to: receipt of necessary approvals; general business, economic, competitive, political and social uncertainties; future prices of mineral prices; accidents, labour disputes and shortages and other risks of the mining industry. Although AGG has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. AGG does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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