

# Calibre Releases Multi-Year Production and Cost Outlook, including Initial Libertad Complex Preliminary Economic Assessment

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VANCOUVER, Aug. 11, 2020 - [Calibre Mining Corp.](#) (TSX: CXB; OTCQX: CXBMF) is pleased to announce its initial multi-year outlook (the Plan), which includes the initial Libertad Complex Preliminary Economic Assessment (the PEA).

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. All figures are expressed in United States dollars.

## LIBERTAD COMPLEX: PEA HIGHLIGHTS

- 2021 to 2023 annual average
  - Gold production: 120,000 ounces
  - All-In Sustaining Costs<sup>1</sup> (AISC): \$906 per ounce
  - After-tax, free cash flow: \$69 million (at \$1,800 gold)
- 2021 to 2025 cumulative, after-tax free cash flow
  - \$216 million at \$1,500 gold
  - \$319 million at \$1,800 gold
- Of the Mineral Resources reviewed for this plan, ~60% of the Indicated Mineral Resources and ~40% of the Inferred Mineral Resources were included in the PEA. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
  - Additional technical studies (drilling, engineering, and mine design) are required to better understand the Mineral Resources excluded from the PEA
- Exploration
  - No drilling results or data after December 31, 2018 are included
    - Other than Jabali and Panteon Underground have more current drilling results and a mid-2020 effective date
  - Near-mine and infill drilling programs designed to provide additional mill feed
- 2021 to 2025 milling capacity
  - ~1,500,000 average annual tonnes of surplus mill capacity (installed, permitted and paid for)
  - Underpins potential for significant organic production growth in the near-term

## LIMON COMPLEX (OPEN PIT MATERIAL ONLY): 10-YEAR OUTLOOK

- Average annual
  - Gold production: 50,000 - 70,000 ounces
  - AISC<sup>1</sup>: \$900 - \$1,100 per ounce
- Open Pit Probable Mineral Reserves (as at December 31, 2019)
  - 1.4 million tonnes grading 4.25 g/t gold containing 195,000 ounces mined in 2020-2023
- Additional Open Pit Mineral Resources (as at December 31, 2019) have the potential to extend mine life through 2031
  - Open Pit Indicated Mineral Resources exclusive of Mineral Reserves
    - 0.5 million tonnes grading 4.29 g/t gold containing 62,000 ounces
  - Open Pit Inferred Mineral Resources
    - 3.8 million tonnes grading 5.49 g/t gold containing 679,000 ounces
- 20,000-meter infill drilling program underway at Limon Open Pits
  - Anticipating majority of Inferred Mineral Resources will be upgraded to Indicated Mineral Resources when year-end 2020 reserves and resources are announced

Russell Ball, Chief Executive Officer of Calibre stated: "Since completing the acquisition of Limon and

Libertad just ten months ago, we have made a number of changes that position us to deliver significant value through the implementation of our 'hub-and-spoke' operating philosophy. With the increased investment in near-mine exploration and infill drilling, the recent restart of operations at Jabali underground, receipt of the development permit for Pavon Norte and additional Limon ore available, we have a number of opportunities in front of us to utilize more of the surplus mill capacity at our Libertad Complex.

The initial Libertad PEA provides a 'snapshot' into our view of the next three years based on the drilling data and mineral inventory we acquired from B2Gold last October. We expect to provide an updated 'snapshot' of the multi-year outlook for both Limon and Libertad in the second quarter of 2021.

TABLE 1 'LIBERTAD COMPLEX: PEA FINANCIAL SENSITIVITY MODEL (\$ MILLION, AFTER-TAX)

The financial models in the PEA were prepared by SLR Consulting (Canada) Ltd. (formerly Roscoe Postle Associates Inc.) using a base case gold price of \$1,500 per ounce. The PEA includes metal price sensitivities detailed in the technical report which is expected to be published on [www.sedar.com](http://www.sedar.com) in early September.

	Metal Price Sensitivities (2021 '2025)
Gold Price Assumption (\$/ounce)	<b>\$2,800</b>
Cumulative after-tax free cash flow	<b>\$389</b>
NPV <sub>5%</sub>	<b>\$298</b>

TABLE 2 'LIBERTAD COMPLEX: PEA PRODUCTION AND COST OUTLOOK

	2021	2022	2023	2024	2025	Total
Milled (tonnes)	804,000	977,000	1,165,000	413,000	254,000	3,613,000
Grade (g/t)	5.18	4.06	3.39	6.35	4.99	4.42
Gold Production (ounces)	122,000	118,000	118,000	79,000	38,000	476,000
Total Cash Costs <sup>1</sup> (\$/ounce)	\$748	\$788	\$768	\$614	\$798	\$736
AISC <sup>1</sup> (\$/ounce)	\$1,019	\$851	\$857	\$614	\$798	\$847

The PEA is based on Indicated and Inferred Mineral Resources from the following:

- Libertad: Jabali Antena open pit, Jabali underground and San Antonio open pit;
- Limon (trucked to Libertad Complex): Veta Nueva underground and Santa Pancha Complex (including Panteon) underground; and
- Pavon (trucked to Libertad Complex): Pavon Norte and Pavon Central open pits.

## COSTS

The PEA costs are based on historical unit costs and productivities and do not consider current supply chain management opportunities. The reported AISC<sup>1</sup> includes development, G&A, mining, processing, and ore transportation costs.

The PEA is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Further, Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

## LIMON COMPLEX: OPPORTUNITIES

The implementation of our 'hub-and-spoke' operating philosophy has been a key driver in advancing opportunities to positively impact the mine life and Net Asset Value at the Libertad and Limon complexes. Integrating Limon's 0.5 million and Libertad's 2.2 million tonne per annum milling

capacity, allows us to maximize value by transporting and processing ore from numerous satellite deposits.

The outlook at the Limon Complex provides a conservative snapshot of the production and cost profiles for only the open pit Mineral Reserves, with the potential for more mine life based on additional Mineral Resources. These Mineral Resource estimates do not consider any exploration drilling results after 2018, except for the Panteon Underground deposit which is part of the Santa Pancha underground mine.

Based on the Mineral Reserves and expected conversion of the Mineral Resources, the outlook for the Limon Complex is expected to process 500,000 tonnes of mill feed and deliver between 50,000 and 70,000 ounces of gold production a year at AISC<sup>1</sup> of between \$900 and \$1,100 per ounce for the next 10 years (beginning in 2021).

The Limon Complex is assumed to process mill feed mined from the Limon open pits and this provides the opportunity to transport mill feed from the underground operations at Santa Pancha (including Panteon) and Veta Nueva to the Libertad Complex for processing.

#### LIBERTAD COMPLEX: OPPORTUNITIES

In October 2019, Calibre completed the purchase of the Limon and Libertad gold mines, the Pavon gold project and additional mineral concessions in Nicaragua from B2Gold Corp. At that time, the focus was on Limon and the recent discovery at Limon Central, while the consensus view was that Libertad had less than a year of remaining mill feed and was approaching closure and reclamation. By implementing our "hub-and-spoke" operating philosophy and by developing the Pavon gold project, the Libertad Complex processing life has been significantly extended and is now expected to be a major source of free cash flow over the next five years.

The PEA presents what we believe is a conservative approach to Mineral Resource inclusion, with no allowance for future exploration success which could contribute additional feed to the Libertad Complex. The PEA reflects average annual gold production of 100,000 ounces at AISC<sup>1</sup> of \$846 per ounce for the five-year period from 2021 to 2025.

The cumulative, five-year after tax cashflow is estimated at \$216 million (\$1,500 gold) and \$319 million (\$1,800 gold). The scenario is based on an average mill throughput rate of 0.7 million tonnes per annum, leaving approximately 1.5 million tonnes of surplus annual mill capacity as a significant opportunity for organic growth via further conversion of Mineral Resources, exploration success, artisanal ore purchases or toll milling.

#### Technical Report and Qualified Person

A Technical Report prepared in accordance with NI 43-101 for the La Libertad Preliminary Economic Assessment will be filed on SEDAR ([www.sedar.com](http://www.sedar.com)) within 45 days of this news release. Readers are encouraged to read the Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the Mineral Resource. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context.

This news release has been reviewed and approved by Grant A. Malensek, P.Eng./P.Geo. of SLR Consulting (Canada) Ltd. (*formerly Roscoe Postle Associates Inc.*), an "Independent Qualified Person" under NI 43-101 Standard for Disclosure for Mineral Projects.

Darren Hall, MAusIMM, SVP & Chief Operating Officer, [Calibre Mining Corp.](http://CalibreMiningCorp.com) is a "Qualified Person" as set out under NI 43-101 has reviewed and approved the scientific and technical information in this press release.

#### ON BEHALF OF THE BOARD

*Russell Ball*;

Russell Ball, Chief Executive Officer

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#### About Calibre Mining Corp.

Calibre Mining is a Canadian-listed gold mining and exploration company with two 100%-owned operating gold mines in Nicaragua. The Company is focused on sustainable operating performance and a disciplined approach to growth. Since the acquisition of the Limon, Libertad gold mines and Pavon Gold Project, Calibre has proceeded to integrate its operations into a "Hub-and-Spoke" operating philosophy, whereby the Company can take advantage of reliable infrastructure, favorable transportation costs, and multiple high-grade mill feed sources that can be processed at either Limon or Libertad, which have a combined 2.7 million tonnes of annual mill throughput capacity.

#### NOTE 1: Non-IFRS Measures

Calibre has included certain non-IFRS measures in this news release, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provides investors with an improved ability to evaluate the underlying performance of the Company. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

#### Total Cash Costs per Ounce of Gold Sold ("Total Cash Costs")

Total Cash Costs include mine site operating costs such as mining, processing, and local administrative costs (including stock-based compensation related to mine operations), royalties, production taxes, mine standby costs and current inventory write-downs, if any. Production costs are exclusive of depreciation and depletion, reclamation, capital, and exploration costs. Total Cash Costs are net of by-product silver sales and are divided by gold ounces sold to arrive at a per ounce figure.

#### All-In Sustaining Costs per Ounce of Gold Sold ("AISC")

AISC is a performance measure that reflects the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition is derived from the definition, as set out by the World Gold Council in its guidance dated June 27, 2013 and November 16, 2018, respectively. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure is useful to external users in assessing operating performance and the ability to generate free cash flow from operations.

Calibre defines AISC as the sum of Total Cash Costs (per above), sustaining capital (capital required to maintain current operations at existing production levels), capital lease repayments, corporate general and administrative expenses, exploration expenditures designed to increase resource confidence at producing mines, amortization of asset retirement costs and rehabilitation accretion related to current operations. AISC excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to resource growth, rehabilitation accretion not related to current operations, financing costs, debt repayments, and taxes. Total AISC is divided by gold ounces sold to arrive

at a per ounce figure.

#### *Cautionary Note Regarding Forward Looking Information*

*This news release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements in this news release that address events or developments that we expect to occur in the future are forward-looking statements. Forward-looking statements are statements that are not historical facts and are identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Calibre's control. For a listing of risk factors applicable to the Company, please refer to Calibre's annual information form for the year ended December 31, 2019, available on [www.sedar.com](http://www.sedar.com). This list is not exhaustive of the factors that may affect Calibre's forward-looking statements.*

*Calibre's forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. Calibre does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, undue reliance should not be placed on forward-looking statements.*

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