

OceanaGold Announces Results of Updated Haile Technical Report

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BRISBANE, Sept. 23, 2020 - [OceanaGold Corp.](#) (TSX: OGC) (ASX: OGC) (the "Company") is pleased to announce the completion of the Haile Gold Mine ("Haile") National Instrument 43-101 Technical Report ("Technical Report"). The Haile Technical Report will be filed on SEDAR and with the Australian Securities Exchange within 45 days.

Note that all Haile Technical Report forecasts are based on Mineral Reserves only. The results of the Technical Report are not to be used as formal guidance. The Company expects to provide formal annual guidance for production, costs and capital based on Board approved budgets in the first quarter of 2021.

Key Highlights

- Life of mine extended to 2033 based on Mineral Reserves only
- Reserve Gold Price Case ("Reserve Case") pre-tax net present value ("NPV") (5% discount rate) of approximately US\$930 million, after-tax of US\$892 million at a flat gold price of \$1,500/oz
- Market Consensus Gold Pricing Case ("Market Pricing Case") pre-tax NPV_{5%} of approximately US\$1.1 billion, after-tax of US\$1.05 billion
- Reserve Case life of mine pre-tax undiscounted free cash flows of approximately \$1.3 billion, after-tax of \$1.2 billion
- Market Pricing Case life of mine pre-tax undiscounted free cash flows of approximately \$1.5 billion, after-tax of \$1.4 billion
- Increased Proven & Probable Gold Reserves by 60,000 ounces, Measured & Indicated Resources by 120,000 ounces and Inferred Resources by 40,000 ounces, all net of mine depletion as at June 30, 2020
- Approximate life of mine cash costs of \$590 per ounce and All-In Sustaining Costs ("AISC") of \$800 per ounce
- Horseshoe Underground optimal mine sequence confirmed as bottom-up with development expected to commence in 2021 and first production targeted for late 2022
- Average annual life of mine gold production of 180,000 - 200,000 ounces, increasing to approximately 250,000 ounces when on combined open pit and underground mill feed between 2023 and 2027
- Underground exploration targets advancing including Horseshoe, Snakeshoe and Palomino with new drill targets at Aquarius and Pisces (both not included in the Technical Report)

Michael Holmes, President and CEO of OceanaGold said, "We are pleased with the results of the updated Haile Technical Report which demonstrate long-term value and significant organic growth opportunity for the operation. The Reserve Case estimates the pre-tax NPV at \$930 million while the pre-tax NPV using market consensus gold prices is estimated at \$1.1 billion. These results, coupled with the significant underground exploration upside, makes the Haile Gold Mine a top-tier asset in a great jurisdiction."

"Haile has been a commercial operation for approximately three years. Despite numerous challenges during this time, we have successfully increased the process plant capacity by approximately 75% from nameplate, have significantly increased mining rates while reducing unit costs, upskilled the local workforce and attracted experienced operations managers who have improved the safety culture and operational productivity. We continue to adapt to the extreme weather patterns of the last few years in the Carolinas that have at times hampered mining productivity. Through our experience of operating Haile over the past few years, we have updated its mine plan to deliver over the long-term."

"We evaluated the Horseshoe Underground mine sequence and confirmed a bottom-up approach as the optimal mine sequence. We plan to commence development of the Horseshoe Underground in late 2021 with first production targeted for late in 2022. Gold mineralisation below the current reserve open pit design represents significant underground growth opportunity for the Company with further drilling being planned to convert Inferred Resources (Horseshoe, Palomino), define new resources where we have intersected significant zones of mineralisation (Snakeshoe) and test new underground targets Pisces and Aquarius."

Underground ore feed is an important part of Haile's future operation. Its importance is illustrated in the updated Technical Report with average annual gold production of 250,000 ounces a year at first quartile costs when both open pit and underground ore is fed through the mill."

Updated Mineral Reserves and Resources

As at June 30, 2020, the Company increased Haile Proven and Probable Mineral Reserves from December 31, 2019 by 60,000 ounces of gold, net of mine depletion.

Table 1 – Proven & Probable Mineral Gold Reserves (June 30, 2020)

| Resource Area | Proven | | | Probable | | | Proven & Probable | | | | | |
|---------------|--------|--------|--------|----------|--------|--------|-------------------|--------|--------|--------|--------|--|
| | Mt | Au g/t | Ag g/t | Mt | Au g/t | Ag g/t | Mt | Au g/t | Ag g/t | Au Moz | Ag Moz | |
| Open Pit | 3.0 | 1.37 | 2.54 | 46.4 | 1.58 | 2.35 | 49.4 | 1.57 | 2.36 | 2.49 | 3.75 | |
| Underground | - | - | - | 3.4 | 3.78 | - | 3.4 | 3.78 | - | 0.42 | - | |
| Haile Total | 3.0 | 1.37 | 2.54 | 49.8 | 1.73 | 2.19 | 52.8 | 1.71 | 2.21 | 2.91 | 3.75 | |

- Reserves are based on a US\$1,500/oz Au gold price and are inclusive of Mineral Resources.
- All figures are rounded to reflect the relative accuracy of the estimates. Totals may not sum due to rounding.
- Includes 722kt of stockpile material grading 1.23 g/t Au and 1.78 g/t Ag

Open Pit Notes:

- Open pit reserves are stated using a 0.45 g/t cut-off and assume full mine recovery.
- Metallurgical recoveries are based on a recovery curve $(1 - (0.2152 \cdot \text{au grade}^{-0.3696})) + 0.025$ that equate to an overall recovery of 82%.
- Reserves are converted from resources through the process of pit optimization, pit design, production schedule and supported by a positive cash flow model.
- 5% dilution at zero grade and 98% mining recovery was applied for 2020 and 2021 mine schedule. Remaining years open pit reserves are not diluted further to dilution inherent to the resource model and assume selective mining unit of 10 m x 10 m x 5 m.
- The open pit Mineral Reserves were estimated by Fernando Rodrigues, BS Mining, MBA, MMSAQP #01405, MAusIMM #304726 of SRK, a Qualified Person.

Underground Notes:

- Metallurgical recoveries are based on a recovery $(1 - (0.2152 \cdot \text{au grade}^{-0.3696}))$ that equates to an overall recovery of 88%.
- Underground reserves are stated using a 1.44 g/t cut-off. The reserve estimate is based on a mine design using an elevated cut-off grade of 1.67g/t, with adjacent lower grade stopes included in the design. Incremental material is included in the reserves based on an incremental stope cut-off grade of 1.29g/t Au and an incremental development cut-off grade of 0.38g/t Au.
- Mining recovery ranges from 94% to 100% depending on activity type. Sill levels use a 75% recovery. Mining dilution is applied using zero grade. The dilution ranges from 2% to 10% depending on activity type.
- Mineral Reserves have been stated based on a mine design, mine plan, and cash-flow model.
- The Mineral Reserves were estimated by Joanna Poeck, BEng Mining, SME-RM, MMSAQP #01387QP, a Qualified Person.

As at June 30, 2020, the Company increased Haile Measured and Indicated Mineral Resources from December 31, 2019 by 120,000 ounces of gold and Inferred Resources from December 31, 2019, by 40,000 ounces, both net of mine depletion.

Table 2 – Measured & Indicated Resources (June 30, 2020)

| Resource Area | Measured | | Indicated | | Measured & Indicated | | | | | | |
|---------------|----------|--------|-----------|------|----------------------|--------|------|--------|--------|--------|--------|
| | Mt | Au g/t | Ag g/t | Mt | Au g/t | Ag g/t | Mt | Au g/t | Ag g/t | Au Moz | Ag Moz |
| Open Pit | 3.2 | 1.35 | 2.61 | 52.3 | 1.53 | 2.40 | 55.5 | 1.52 | 2.41 | 2.71 | 4.30 |
| Underground | - | - | - | 3.3 | 4.95 | - | 3.3 | 4.95 | - | 0.53 | - |
| Haile Total | 3.2 | 1.35 | 2.61 | 55.6 | 1.73 | 2.40 | 58.8 | 1.71 | 2.27 | 3.24 | 4.30 |

Table 3 – Inferred Mineral Resources (June 30, 2020)

| Resource Area | Inferred Resources | | | | |
|---------------|--------------------|--------|--------|--------|--------|
| | Mt | Au g/t | Ag g/t | Au Moz | Ag Moz |
| Open Pit | 7.6 | 1.0 | 1.3 | 0.24 | 0.32 |
| Underground | 9.0 | 3.1 | - | 0.90 | - |
| Haile Total | 17 | 2.1 | 0.6 | 1.1 | 0.32 |

Notes:

- Cut-off grades for the open pit, Horseshoe underground and Palomino underground are 0.45 g/t, 1.26 g/t and 1.37 g/t Au respectively, based on a gold price of US\$1,700/oz. Silver grade was not included in the cut-off calculation.
- The open pit resources are reported within an optimised shell based on a gold price of US\$1,700/oz.
- Mineral Resources include Mineral Reserves and are reported on an in-situ basis
- There is no certainty that Mineral Resources that are not Mineral Reserves will be converted to Mineral Reserves.
- All figures are rounded to reflect the relative accuracy and confidence of the estimates and totals may not add correctly.
- The Mineral Resources were estimated under the supervision of Jonathan Moore, MAusIMM CP(Geo), a Qualified Person

The Company continues to focus on resource growth and conversion at Haile with an emphasis on underground targets with significant results (i.e. addition of Palomino Inferred Resource of 600koz in 2019). The Company will incorporate 2020 drill results into the year-end Resource and Reserve update.

Operating Physicals

Over the life of mine, the Company expects to produce approximately 2.5 million ounces of gold with an average annual life of mine gold production of approximately 180,000 - 200,000 ounces, increasing to approximately 250,000 ounces with combined both open pit and underground mill feed (2023 to 2027).

The life of mine AISC is estimated to be approximately \$800 per ounce while life of mine cash costs are estimated to be \$590 per ounce, both after silver by-product credits of 3.0 million ounces at an average price of \$17 per ounce.

Figure 1 – Technical Report Haile Production & Cost Profile

- Annual Production and cost profile should not be used as formal Company guidance. The Company will provide formal annual guidance based on a Board approved budget for production, costs and capital.

Table 4 – Site All-in Sustaining Cost Breakdown (Reserve Case)

| All-in Sustaining Cost Inputs | Units | Average LOM (per oz Au sold) |
|------------------------------------|----------------|------------------------------|
| Direct cash costs | per oz Au sold | \$586 |
| Sustaining capital expenditures | per oz Au sold | \$213 |
| Total Site All-in Sustaining Costs | per oz Au sold | \$799 |

Table 5 – Operating Unit Costs Overview

| Operating Costs | Units | Average LOM |
|-------------------------------|------------------|-------------|
| Open Pit | per tonne mined | \$2.00 |
| Underground | per tonne mined | \$47.15 |
| Processing | per tonne milled | \$10.00 |
| Site General & Administrative | per tonne milled | \$3.30 |

- Figures have been rounded to nearest \$0.05

The Company expects to mine approximately 388 million tonnes of waste and 46 million tonnes of ore from the open pits for a life of mine strip ratio of 8.4 to 1 from 2021 onward. Open pit mining is expected to average 40 million tonnes of waste and 4 million tonnes of ore per year based on historical mining and weather data up until 2029, reducing thereafter. Mining rates are based on the operation's expanded mine footprint and has factored additional Potential Acid Generating ("PAG") material which requires engineered and environmentally approved containment locations. Open pit mining unit costs are estimated to average approximately \$2.00 per tonne mined over the life of mine, inclusive of capitalised mining costs.

The Haile Underground is initially expected to mine approximately 3.4 million tonnes of ore over an average five-year mine life or approximately 680,000 tonnes a year based on Reserves. The Company will target the conversion of Horseshoe Inferred Resources and other underground targets along the one-kilometre corridor between Horseshoe and Palomino (Figure 8). Horseshoe underground mining unit costs are estimated to be approximately \$47 per tonne mined including capitalised underground mining costs.

Figure 2 – Haile Mining Physicals

Since 2017, the Company has increased the Haile process plant capacity by approximately 75% above nameplate (2.3 million tonnes per annum) and expects a steady-state annual throughput rate of approximately four million tonnes per annum. Processing unit costs are estimated to further decrease and average approximately \$10 per tonne processed over life of mine.

Over the life of mine, the head grade is estimated to average 1.7 grams per tonne and approximately 2.3 grams per tonne between 2023 and 2027 from combined open pit and underground ore feed. Gold recoveries are typically correlated with head grade and are expected to average approximately 85% over life of mine and 87% from 2023 and 2027 with the higher average head grade from combined open pit and underground ore feed.

Figure 3 – Haile Processing Physicals

Capital Investment

The Company has refined its capital cost estimate to incorporate additional infrastructure required over the life of mine from 2021 onward, which is based on operating data from over the last few years. Total non-sustaining (growth) capital for the expanded Haile operation, excluding site closure costs is estimated at approximately \$190 million over the life of mine, and includes the continued expansion of the Tailings Storage Facility ("TSF") and additional PAG waste containment facilities (combined \$90 million), and development of the Horseshoe Underground (\$80 million).

The Horseshoe Underground mine plan has been enhanced and development capital investment is estimated to be approximately \$80 million, an expenditure that will take place primarily in 2021 and 2022. Underground sustaining capital is estimated to be approximately \$17 million over its five-year mine life.

Site closure capital is estimated at \$70 million, an expenditure that progressively increases toward the end of the mine life with approximately \$35 million of the estimated total expended after the end of mine life.

Total sustaining capital for Haile is estimated to be approximately \$450 million over 13 years from 2021 to 2033 inclusive. The two main components of sustaining capital are open pit capitalised pre-stripping (\$255 million) and progressive TSF lifts over the life of mine (\$140 million) from 2021 to 2033 inclusive. The investments required for TSF lifts also recognise the requirement to contain and manage the large amount of supernatant water accumulated as a result of the materially higher than average rainfall since 2018.

Figure 4 – Haile Capital Investments

- Annual capital profile should not be used as formal Company guidance. The Company will provide formal annual guidance based on a Board approved budget for production, costs and capital.
- Capital depicted in Figure 4, excludes principle and interest payments related to equipment leases. These payments are captured in the operating cash flow estimates. Sustaining costs related to equipment leases are included in the site AISC calculation

Economics

The Haile Technical Report highlights an estimated Reserve Case pre-tax NPV_{5%} of approximately \$930 million and after-tax NPV_{5%} of \$892 million utilising a \$1,500 flat reserve gold price. Alternatively, the estimated pre-tax NPV_{5%} and after-tax NPV_{5%} utilising market consensus gold price assumptions is calculated at approximately \$1.1 billion and \$1.05 billion, respectively. Refer to Table 7 for gold price assumptions used in both calculations. NPV calculations are effective July 1, 2020.

Table 6 Economic Analysis Overview

| | Unit | Reserve Case | Market Consensus Case |
|----------------------------------|-------|--------------|-----------------------|
| Average LOM Gold Price | \$/oz | 1,500 | 1,574 |
| Average LOM Silver Price | \$/oz | 17.00 | 19.44 |
| Life of Mine (based on Reserves) | | 2033 | 2033 |
| LOM Payable Gold | koz | 2,470 | 2,470 |
| Pre-tax NPV _{5%} | USDm | 930 | 1,110 |
| After-tax NPV _{5%} | USDm | 892 | 1,050 |
| LOM Pre-Tax Free Cash Flow | USDm | 1,290 | 1,480 |
| LOM After-tax Free Cash Flow | USDm | 1,240 | 1,410 |

- Figures have been rounded

Table 7 Gold Price Assumptions

| USD/oz | Reserve Case | Market Consensus Case |
|------------------|--------------|-----------------------|
| H2 2020 | 1,500 | 1,850 |
| 2021 | 1,500 | 1,850 |
| 2022 | 1,500 | 1,750 |
| 2023 | 1,500 | 1,650 |
| 2024 & Long-term | 1,500 | 1,500 |

- Reserve Case average silver price was \$17/oz
- Market Consensus Case average price silver was \$19.44

Figure 5 Reserve Case NPV Sensitivity Chart

Over the life of mine, the Company expects the Haile operation to generate \$1.3 billion in pre-tax, undiscounted free cash flow under the Reserve Case and \$1.5 billion pre-tax utilising Market Consensus Case gold prices.

Figure 6 Haile Net Cash Flow Profile Reserve Case

Figure 7 Haile Net Cash Flow Profile Market Consensus Case

Exploration

The Company continues to define the potential of underground mining opportunities at Haile. The Company expects it will focus exploration efforts on further defining underground opportunities in an effort to extend the

life of these operations beyond the initial five-years. Previous drilling of underground targets from surface has identified high-grade zones across the Horseshoe - Palomino trend that require further drill definition and understanding. The Company has also identified new underground targets, Pisces and Aquarius and plans to drill these targets in the near-future. Neither of these targets are included as the Technical Report is based on Reserves only.

Figure 8 – Haile Underground Targets

In line with ASX listing requirements, OceanaGold has appended information required by JORC Table 1 for the Haile Resources and Reserves estimates to its ASX announcement. JORC Table 1 is not required under National Instrument 43-101. Readers are referred to the ASX website at www.asx.com.au or the OceanaGold website at www.oceanagold.com to view JORC Table 1.

Authorised for release to market by Acting Company Secretary, Chris Hansen, on behalf of Liang Tang (currently on Maternity Leave)

About OceanaGold

[OceanaGold Corp.](#) is a mid-tier, high-margin, multinational gold producer with assets located in the Philippines, New Zealand and the United States. On the North Island of New Zealand, the Company operates the high-grade Waihi Gold Mine while on the South Island of New Zealand, the Company operates the largest gold mine in the country at the Macraes Goldfield which is made up of a series of open pit mines and the Frasers underground mine. In the United States, the Company operates the Haile Gold Mine, a top-tier, long-life, high-margin asset located in South Carolina. The Company's assets also encompass the Didipio Gold-Copper Mine located on the island of Luzon in the Philippines. OceanaGold also has a significant pipeline of organic growth and exploration opportunities in the Americas and Asia-Pacific regions.

OceanaGold has operated sustainably since 1990 with a proven track-record for environmental management and community and social engagement. The Company has a strong social license to operate and works collaboratively with its valued stakeholders to identify and invest in social programs that are designed to build capacity and not dependency.

Qualified Persons and Scientific and Technical Information

The Mineral Resource estimates included in this public release have been prepared under the supervision of J. Moore. Any information regarding metallurgy or mineral processing has been prepared, verified and approved by D. Carr. The open pit Mineral Reserves have been prepared under the supervision of F. Rodrigues and the underground Mineral Reserves have been verified and approved by J. Poeck. The open pit and underground mining costs and economic evaluation have been prepared under the supervision of T. Cooney.

Each of D. Carr, T. Cooney, J. Moore, J. Poeck, and F. Rodrigues are Qualified Persons under NI 43-101.

Messrs Carr, Cooney and Moore are full-time employees of the Company's subsidiary, OceanaGold Management Pty Limited. Accordingly, each is not independent for purposes of NI 43-101.

J. Poeck is a registered member of the SME and a QP member of the MMSA. F. Rodrigues is a member of AusIMM and a QP member of the MMSA. Both are full time employees of SRK.

D. Carr, T. Cooney, J. Moore, J. Poeck and F. Rodrigues have reviewed and approved the scientific and technical information in this public release in respect of which each is responsible and each consent to inclusion in this public release of the matters based on their information in the form and context in which it appears.

Cautionary Statement for Public Release

Certain information or statements contained in this public release may be deemed "forward-looking" within the meaning of applicable securities laws. Forward-looking statements and information relate to, among other things, future performance and study results and reflect the Company's expectations regarding the generation of free cash flow, achievement of guidance, execution of business strategy, future growth, future production, estimated costs, results of operations, business prospects and opportunities of [OceanaGold Corp.](#) and its related subsidiaries. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those expressed in the forward-looking statements and information. They include, among others, the outbreak of an infectious disease, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's most recent Annual Information Form prepared and filed with securities regulators which is available on SEDAR at www.sedar.com under the Company's name.

This public release also contains references to estimates of Mineral Resources and Mineral Reserves. The estimation of Mineral Resources and Mineral Reserves is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource or Mineral Reserve estimates may have to be re-estimated based on: (i) fluctuations in gold price; (ii) results of drilling, (iii) the results of metallurgical testing and other studies, including their subsequent refinement and updating; (iv) proposed mining operations, including dilution; (v) the evaluation of mine plans subsequent to the date of any estimates; (vi) changes in mining or other costs, and (vii) the possible failure to receive required permits, approvals and licenses or changes to existing mining licences.

As well, all of the economic results of studies included in this public release constitute forward-looking information or statements including pre-tax NPV (5% discount rate) of approximately US\$930 million and after-tax of US\$892 million at a flat gold price of \$1,500/oz and Market Consensus Gold Pricing Case pre-tax NPV5% of approximately US\$1.1 billion, after-tax of US\$1.05 billion; life of mine pre-tax undiscounted free cash flows of approximately \$1.3 billion, after-tax of \$1.2 billion and Market Consensus Gold Pricing Case life of mine pre-tax undiscounted free cash flows of approximately \$1.5 billion, after-tax of \$1.4 billion, and approximate life of mine cash costs of \$590 per ounce and AISC of \$800 per ounce.

There are no assurances the Company can fulfil forward-looking statements and information. Such forward-looking statements and information are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Although the Company believes that any forward-looking statements and information contained in this public release is based on reasonable assumptions, readers cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information.

The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information, whether as a result of new information, events or otherwise, except as required by applicable securities laws. The information contained in this release is not investment or financial product advice.

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(All financial figures in US Dollars unless otherwise stated)

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