

Coeur Announces Details of Rochester Expansion in Updated Technical Report

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Significantly higher reserves and larger-scale expansion project expected to reposition Rochester as the Company's cornerstone asset, representing a fundamental step-change for Coeur

[Coeur Mining Inc.](#) (or the Company) (NYSE: CDE) today announced details of the expansion of its Rochester silver-gold mine in Nevada, reflecting significant reserve growth and the benefits of a larger-scale expansion project. An updated National Instrument 43-101 Technical Report will be filed on SEDAR at www.sedar.com before the close of business today.

Summary highlights include:

- After-tax NAV_{5%} of \$634 million and an expected internal rate of return of 31% based solely on proven and probable mineral reserves
- 18-year, reserve-based mine life through 2038 with opportunities for extension with continued drilling
- Expected average annual free cash flow of \$104 million for initial ten years post-expansion
- 58% and 65% year-over-year increase in silver and gold reserves, respectively¹
- More than doubling of planned annual crusher throughput capacity from roughly 14 million tons to over 28 million tons post-expansion
- Average annual silver and gold production expected to total over 8.0 million ounces and approximately 80,000 ounces, respectively, for the initial ten years post-expansion
- Improvement in silver recoveries from 61% over 20 years to approximately 68% in two years through use of high-pressure grinding roll (HPGR) technology
- \$397 million of planned construction capital (2021-2023), including \$42 million in contingencies and \$31 million in engineering, procurement and project management contracting

The expansion of Rochester represents the Company's single largest organic growth opportunity, said Mitchell J. Krebs, Coeur's President and Chief Executive Officer. The combination of significant reserve growth, the scope of the expansion project to leverage economies of scale and the benefit of higher and faster silver recoveries from HPGR technology is expected to generate an internal rate of return of over 30%. Importantly, the project is supported by a technically sound foundation with robust economics that helps drive an anticipated step-change in Coeur's cash flow profile, which we believe will fundamentally reposition the Company and unlock meaningful long-term value for our stockholders. We are all excited about the future of Rochester and look forward to showcasing this pivotal expansion project with you during our virtual investor day tomorrow.

Rochester's planned expansion under Plan of Operations Amendment (POA 11) includes the construction of a new leach pad, a crushing facility equipped with two HPGR units, a Merrill-Crowe process plant, and related infrastructure to support the extension of Rochester's mine life. The Company plans to fund the project with a combination of cash on hand, internally generated cash flow from its four operating mines and existing debt capacity.

Coeur commenced early-stage earthworks and began establishing infrastructure for POA 11 in early August 2020. Major construction is expected to begin in 2021 and be largely completed by late 2022. The project remains on schedule with no changes to key elements of the timeline (highlighted below).

	Expected Start Date	Target Completion Date
Leach Pad (Incl. Ancillary Facilities)	2H 2020 ?	Mid-2022
Merrill-Crowe Process Plant	1H 2021	YE 2022

Crushing Circuit	1H 2021	YE 2022
Supporting Infrastructure	2H 2020	Mid-2022

In addition to the expansion of the main Rochester deposit, the technical report also outlines the planned build out of the adjacent Nevada Packard deposit located southwest of the Rochester mine. The development of Nevada Packard is scheduled to break ground in 2029 and includes plans for a new leach pad, crushing facility, Merrill-Crowe process plant, mobile equipment and supporting infrastructure, which is expected to cost approximately \$49 million in construction capital. Production from Nevada Packard is scheduled to commence in 2030, leading to the placement of approximately 32 million tons over the deposit's six-year expected mine life.

The reserve-based mine plan in the technical report does not include any material from other deposits owned by Coeur, including the property package adjacent to Rochester that the Company acquired in late 2018 for approximately \$19 million. These near-mine deposits have the potential to extend and/or expand mining operations at Rochester in the medium to long term. Recent target generation in the district highlighted priorities for future drilling north of East Rochester and East Packard as well as around the Lincoln Hill, Gold Ridge and Independence Hill zones located immediately west of Rochester.

Mineral Reserve and Resource Estimates

	Short tons	Grade		Contained	
		Gold (oz/t)	Silver (oz/t)	Gold (oz)	Silver (oz)
PROVEN RESERVES					
Rochester	366,799,000	0.003	0.40	969,000	146,405,000
Nevada Packard	30,068,000	0.003	0.54	78,000	16,240,000
Total	396,867,000	0.003	0.41	1,047,000	162,645,000
PROBABLE RESERVES					
Rochester	60,606,000	0.003	0.36	169,000	21,858,000
Nevada Packard	1,948,000	0.002	0.52	3,000	1,005,000
Total	62,553,000	0.003	0.37	172,000	22,863,000
PROVEN AND PROBABLE RESERVES					
Rochester	427,405,000	0.003	0.40	1,138,000	168,263,000
Nevada Packard	32,016,000	0.003	0.54	81,000	17,245,000
Total	459,420,000	0.003	0.40	1,219,000	185,508,000
MEASURED RESOURCES					
Rochester	225,887,000	0.002	0.24	364,000	53,271,000
Nevada Packard	18,534,000	0.002	0.32	33,000	5,923,000
Total	244,421,000	0.002	0.24	397,000	59,194,000
INDICATED RESOURCES					
Rochester	55,472,000	0.002	0.25	98,000	13,613,000
Nevada Packard	2,025,000				

0.002

0.30

4,000

602,000

	Short tons	Grade Gold (oz/t)	Grade Silver (oz/t)	Contained Gold (oz)	Contained Silver (oz)
Total	57,497,000	0.002	0.25	102,000	14,215,000
MEASURED AND INDICATED RESOURCES					
Rochester	281,360,000	0.002	0.24	463,000	66,884,000
Nevada Packard	20,559,000	0.002	0.32	37,000	6,525,000
Total	301,919,000	0.002	0.24	500,000	73,409,000
INFERRED RESOURCES					
Rochester	221,115,000	0.002	0.27	397,000	59,643,000
Nevada Packard	4,935,000	0.002	0.41	11,000	2,027,000
Total	226,050,000	0.002	0.27	408,000	61,670,000

Notes to above Mineral Reserves and Mineral Resources (effective December 16, 2020):

1. Assumed metals prices for estimated Mineral Reserves was \$1,400 per ounce of gold and \$17.00 per ounce of silver.
2. Assumed metals prices for estimated Mineral Resources was \$1,600 per ounce of gold and \$20.00 per ounce of silver.
3. Mineral Reserves based on a MMTS 2020 Ultimate Pit designs with no loss due to dilution.
4. Mineral Reserves are contained within MMTS 2020 Ultimate Pit designs targeting approximately 459 million tons of proven and probable reserves (in situ or in stockpiles) and are supported by a mine plan featuring variable throughput rates, stockpiling, haulage and a cut-off optimization. The mine plan designs incorporate variable open pit slope angles over the pit life approximately averaging 43°, variable metallurgical recoveries depending on deposit location and material processed, including gold oxide recovery of 92%, gold sulfide recovery of 60%, silver oxide recovery of 70% and sulfide recovery of 60% for the Rochester deposit and gold oxide recovery of 92% and silver oxide recovery of 61% with no sulfide recovery for the Nevada Packard deposit.
5. The NSR cut-off for Mineral Reserves equals \$2.55/ton for oxide and \$2.65/ton for sulfide for the Rochester deposit and \$3.70/ton for the Nevada Packard deposit.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be considered for estimation of Mineral Reserves.
8. Mineral Resources for Rochester within confining pit shell use the following parameters: oxide recovery of 92% for gold and 70% for silver, and sulfide recovery of 60% for gold and 60% for silver with an NSR cutoff grade of \$2.55/ton oxide and \$2.65/ton sulfide.
9. Mineral Resources for Nevada Packard within confining pit shell use the following parameters: oxide recovery of 92% for gold and 61% for silver, with an NSR cutoff grade of \$3.70/ton.
10. Rounding of short tons, grades, and troy ounces, as required by reporting guidelines, may result in apparent differences between tons, grades, and contained metal contents.
11. U.S. Investors are cautioned that the term "Mineral Resource" is not defined or recognized by the U.S. Securities and Exchange Commission.
12. The qualified person for the Mineral Reserve estimate is Robert Gray, P.Eng., an independent Consulting Engineer. The qualified person for the Mineral Resource estimate is Matthew Bradford, RM-SME, a [Coeur Mining Inc.](#) employee.

Comparison of the 2018 and 2020 Technical Reports' Life of Mine Economic Analyses

	2018 Technical Report	2020 Technical Report
ESTIMATED MINE LIFE	2033	2038
PROVEN & PROBABLE RESERVES		

Tons	(000s)	273,427	459,420
Gold grade	oz/t	0.003	0.003
Silver grade	oz/t	0.43	0.40
METALLURGICAL RECOVERIES			
Rochester leach recovery - gold	%	92%	95%
Rochester leach recovery - silver	%	61%	69%
Nevada Packard leach recovery - gold	%	-	89%
Nevada Packard leach recovery - silver	%	-	54%
PRODUCTION			
Gold production	K oz	758	1,140
Silver production	K oz	76,082	128,062
REVENUE			
Average gold price	\$/oz	\$1,250	\$1,544
Average silver price	\$/oz	\$17.50	\$19.45
Gross revenue	\$M	\$2,279	\$4,252
OPERATING COSTS			
Mining	\$M	(\$585)	(\$1,008)
Crushing/processing	\$M	(\$708)	(\$969)
General and administrative	\$M	(\$144)	(\$272)
Smelting and refining	\$M	(\$20)	(\$37)
Royalties	\$M	-	-
Total operating cost	\$M	(\$1,457)	(\$2,286)
Interest, tax and working capital	\$M	(\$75)	(\$56)
Cost per gold ounce (co-product)	\$/oz	\$747	\$830
Cost per silver ounce (co-product)	\$/oz	\$11.71	\$10.46
Mining	\$/ton mined	\$1.23	\$1.39
Crushing/processing	\$/ton placed	\$2.59	\$2.11
General and administrative	\$/ton placed	\$0.58	\$0.59
Total operating cost (incl. smelting and refining)	\$/ton placed	\$5.46	\$4.98
CASH FLOW			
Operating cash flow	\$M	\$747	\$1,910
Capital expenditures	\$M	(\$339)	(\$659)
Reclamation	\$M	-	(\$157)
Total free cash flow	\$M		

\$408

\$1,094

Project NPV (5% discount rate)	\$M	\$275	\$634
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Notes to the above economic analyses:

1. Source: 2020 Technical Report effective December 16, 2020. Note that there were minor differences in the manner of presentation of Operating Costs in the 2018 Technical Report (including different line items); however, there were no meaningful changes to overall cost estimates. The presentation of Operating Costs has been updated in the 2020 Technical Report for comparative purposes. For additional information, please refer to the 2018 Technical Report and the 2020 Technical Report for Rochester available at www.sedar.com.
2. Mineral Reserves are contained within the Measured and Indicated pit designs, or in stockpiles are supported by a plan featuring variable throughput rates, stockpiling and cut-off optimization.
3. Rounding of tons and ounces, as required by reporting guidelines, may result in apparent differences between tons, grade, and contained metal content.
4. Details on the estimation of Mineral Reserves, including the key assumptions, parameters and methods used to estimate the Mineral Reserves are contained in the footnotes in the prior section of this release and in the applicable technical reports available at www.sedar.com.

About Coeur

[Coeur Mining Inc.](#) is a U.S.-based, well-diversified, growing precious metals producer with five wholly-owned operations: the Palmarejo gold-silver complex in Mexico, the Rochester silver-gold mine in Nevada, the Kensington gold mine in Alaska, the Wharf gold mine in South Dakota, and the Silvertip silver-zinc-lead mine in British Columbia. In addition, the Company has interests in several precious metals exploration projects throughout North America.

Cautionary Statements

This news release contains forward-looking statements within the meaning of securities legislation in the United States and Canada, including statements regarding future plans and expectations regarding the Rochester Mine. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Coeur's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the risk that the expectations and financial and operational results contained in the Rochester Technical Report are not achieved on a timely basis or at all, the risks and hazards inherent in the mining business (including risks inherent in developing large-scale mining projects, environmental hazards, industrial accidents, weather or geologically-related conditions), changes in the market prices of gold, silver, zinc and lead and a sustained lower price environment, the uncertainties inherent in Coeur's production, exploratory and developmental activities, including risks relating to permitting and regulatory delays (including the impact of government shutdowns), ground conditions, grade variability, any future labor disputes or work stoppages, the uncertainties inherent in the estimation of mineral reserves, changes that could result from Coeur's future acquisition of new mining properties or businesses, the loss of any third-party smelter to which Coeur markets its production, the potential effects of the COVID-19 pandemic, including impacts to the availability of our workforce, continued access to financing sources, government orders that may require temporary suspension of operations at one or more of our sites and effects on our suppliers or the refiners and smelters to whom the Company markets its production, the effects of environmental and other governmental regulations, the risks inherent in the ownership or operation of or investment in mining properties or businesses in foreign countries, Coeur's ability to raise additional financing necessary to conduct its business, make payments or refinance its debt, as well as other uncertainties and risk factors set out in filings made from time to time with the United States Securities and Exchange Commission, and the Canadian securities regulators, including, without limitation, Coeur's most recent report on Form 10-K. Actual results, developments and timetables could vary significantly from the estimates presented. Readers are cautioned not to put undue reliance on forward-looking statements. Coeur disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, Coeur undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Coeur, its financial or operating results or its securities.

Christopher Pascoe, Coeur's Director, Technical Services and a qualified person under Canadian National Instrument 43-101, reviewed and approved the scientific and technical information concerning the Rochester mine included in this news release. Mineral resources are in addition to mineral reserves and do not have

demonstrated economic viability. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be considered for estimation of mineral reserves, and there is no certainty that the inferred mineral resources will be realized. For a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources, as well as data verification procedures and a general discussion of the extent to which the estimates may be affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant factors, Canadian investors should see the technical reports for the Rochester mine as filed on SEDAR at www.sedar.com.

Cautionary Note to U.S. Investors ? The United States Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We may use certain terms in public disclosures, such as "measured," "indicated," "inferred" and "resources," that are recognized by Canadian regulations, but that SEC guidelines generally prohibit U.S. registered companies from including in their filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 10-K which may be secured from us, or from the SEC's website at <http://www.sec.gov>.

Notes

1. Year-over-year comparisons relative to Coeur's year-end 2019 Mineral Reserves. For more information on Coeur's year-end 2019 Mineral Reserves, please refer to the following link: https://www.coeur.com/_resources/news/nr_20200218.pdf.

Conversion Table

1 short ton = 0.907185 metric tons

1 troy ounce = 31.10348 grams

View source version on businesswire.com: <https://www.businesswire.com/news/home/20201216005054/en/>

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