

Three Valley Copper Suspends Mining Operations and Provides Strategic Review Update

24.01.2022 | [GlobeNewswire](#)

TORONTO, Jan. 24, 2022 - (TSXV: TVC) (OTCQB: TVCCF) [Three Valley Copper Corp.](#) ("Three Valley Copper" or the "Company") provides a corporate and operating update on its 95.1% owned Minera Tres Valles ("MTV") property near Salamanca, Region de Coquimbo, Chile.

Operations Update

Don Gabriel

The underperformance of Don Gabriel, MTV's open pit operation and primary source of ore for 2021 and 2022, has continued. The Company's previous belief was that this underperformance was temporary in nature, but Don Gabriel has unfortunately continued to deliver less ore tonnes at lower grades than forecasted. This shortfall has called into question the future economics of the Don Gabriel open pit and the immediate impact to MTV is materially lower current and forecasted cash inflows and revenues resulting in a deteriorating liquidity position.

MTV has prudently decided to temporarily suspend operations and has undertaken to demobilize its contractors and place Don Gabriel into care and maintenance until management and the technical teams have completed their analysis of Don Gabriel and alternatives to the current mine plan.

Papomono

The initial construction of the Papomono block caving mine has been completed and has reached the stage where the caving operation can commence. This timetable is consistent with what has been reported previously and construction costs are in line with forecasted costs. However, MTV has chosen to temporarily halt the start of the block caving operation as the expected cash flows are not sufficient to fully support the ramp-up of Papomono during 2022. Increasing production input costs and the continued underperformance of its open pit operations at Don Gabriel has significantly impacted MTV's ability to generate the necessary cash flows to fund the planned ramp-up of the Papomono underground mine. MTV's management and technical teams have concluded that in the absence of taking this action, there would be a significant risk that Papomono would be destabilized if the caving operation was to start without MTV having the funds to continue its orderly ramp-up of production.

Operating Guidance

The Company is now retracting its revised preliminary operating outlook for 2022 and 2023.

The Company's revised operating guidance for 2021 was to produce between 4,500 and 5,500 tonnes of copper cathodes. Actual production for 2021 was slightly lower than guidance at 4,209 tonnes which represents less than 25% of MTV's overall copper cathode production capacity.

To further preserve liquidity, MTV has also temporarily suspended its exploration program, and suspended certain sustaining and expansion capital expenditures. Notwithstanding these actions, based on MTV's current cash flow forecast, MTV will require additional financing in the next several months. Three Valley Copper currently maintains working capital of approximately US\$7 million separate from MTV but this is not

sufficient to finance the expected funding gap at MTV and fund the Company's ongoing corporate requirements. Three Valley Copper is reviewing its alternatives while preserving its cash resources.

The cessation of mining activities at MTV may result in one or more events of default under the amended and restated senior secured lending facility. The Company and MTV are currently in discussions with MTV's senior secured lenders and copper cathode offtake provider to determine if a continuing successful partnership can be maintained through, inter alia, bridge loan financing, additional debt financing, forgiveness or conversion of debt, waivers of operating and other covenants, deferrals of or renegotiation of repayment terms and/or renegotiation of the fixed price portion of the offtake agreement. The Company and MTV are also exploring MTV's ability to renegotiate the Judicial Reorganization Agreement ("JRA") executed in August 2020. At this time there can be no assurance that any agreement can be reached with the senior secured lenders and/or offtake provider or that a renegotiation of the JRA is possible, and the Company will continue to report on the progress of such discussions.

Strategic Review Process

The Strategic Review Process has not yet resulted in any binding offers being received by the Company. Discussions remain ongoing but there can be no assurance that such discussions will result in any type of transaction, what the value of any transaction might be, what the terms or timing of such a transaction might be or that the Company will be able to continue as a going concern if no transaction is concluded.

At this time, the Company does not expect the Strategic Review Process to result in an imminent transaction that would provide meaningful value for holders of Three Valley Copper's equity securities (including securities convertible into or exercisable for equity securities). As a result, holders of Three Valley Copper's equity securities are cautioned that trading in such securities is highly speculative.

The Company will provide updates when further disclosure is required or otherwise appropriate.

About Three Valley Copper

Three Valley Copper, headquartered in Toronto, Ontario, Canada is focused on growing copper production from, and further exploration of, its primary asset, Minera Tres Valles. Located in Salamanca, Chile, MTV is 95.1% owned by the Company and MTV's main assets are the Minera Tres Valles mining complex and its 46,000 hectares of exploratory lands. For more information about the Company, please visit www.threevalleycopper.com.

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this news release, contain forward-looking information (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable Canadian securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the foregoing, this news release contains Forward-Looking Statements pertaining to: expected cash flow and capital resources; ability of the Company to continue as a going concern; ability of MTV to comply with the terms of its existing debt facility and other material agreements; the potential outcome of the Strategic Review Process; Company's expectations for current and future exploration activities; operating guidance; development progress of the Company's mineral projects; statements with respect to the timing and production of copper at the Don Gabriel and Papomono sites; advancement of ongoing projects, including the progress and timing of completion of the inclined block-caving mining project, and the estimated capital costs required for completion.

Although TVC believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including: the availability of certain consumables (including water) and services and the prices for power, sulfuric acid and other key supplies; expected labour and materials costs and available supply; certain tax rates, including the allocation of certain tax attributes, being applicable to MTV; the availability of financing for the Company's and MTV's planned operations and development activities; assumptions made in mineral resource and mineral reserve estimates and the financial analysis

based on these estimates, including (as applicable), but not limited to, geological interpretation, grades, commodity price assumptions, metallurgical performance, extraction and mining recovery rates, hydrological and hydrogeological assumptions, capital and operating cost estimates, and general marketing, political, business and economic conditions, the continued availability of quality management, critical accounting estimates, all terms of the restructuring agreement and facility agreement to which MTV and the Company are parties will be satisfied in the future including no events of default, existing water supply will continue, supplemental water availability will continue, the geopolitical risk of Chile will remain stable, including risks related to labour disputes, a partial ramp up of mining operations at Papomono Masivo without sufficient capital support could result in destabilization of the mine; the litigation and /or arbitration initiated by the minority shareholder of the Company's operating subsidiary, MTV will proceed according to the timeline provided by litigation counsel; the expected production and results from the Don Gabriel mine; and expected ability to repay the indebtedness of MTV.

Actual results, performance or achievements could vary materially from those expressed or implied by the Forward-Looking Statements should assumptions underlying the Forward-Looking Statements prove incorrect or should one or more risks or other factors materialize, including: (i) possible variations in grade or recovery rates; (ii) copper price fluctuations and uncertainties; (iii) delays in obtaining governmental approvals or financing; (iv) risks associated with the mining industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to mineral reserves, production, costs and expenses; and labour, health, safety and environmental risks) and risks associated with the other portfolio companies' industries in general; (v) performance of the counterparty to the ENAMI Contract; (vi) risks associated with investments in emerging markets; (vii) general economic, market and business conditions; (viii) market volatility that would affect the ability to enter or exit investments; (ix) failure to secure additional financing in the future on acceptable terms to the Company, if at all; (x) commodity price and foreign exchange fluctuations and uncertainties; (xi) risks associated with catastrophic events, manmade disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises, including COVID-19; (xii) those risks disclosed under the heading "Risk Management" in TVC's Management's Discussion and Analysis for the period ended December 31, 2020; and (xiii) those risks disclosed under the heading "Risk Factors" or incorporated by reference into TVC's Annual Information Form dated March 3, 2021. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and the Company does not assume any obligation to publicly update any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable Canadian securities laws.

Cautionary Note to United States Investors Concerning Estimates of measured, indicated and inferred mineral resources

This news release may use the terms "measured", "indicated" and "inferred" mineral resources. Historically, while such terms were recognized and required by Canadian regulations, they were not recognized by the United States Securities and Exchange Commission (the "SEC"). The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). These amendments became effective February 25, 2019 (the "SEC Modernization Rules") with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured", "indicated" and "inferred" mineral resources. In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be substantially similar to the corresponding Canadian Institute of Mining, Metallurgy and Petroleum definitions, as required by NI 43-101. Investors are cautioned that "Inferred mineral resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable.

For further information:

Michael Staresinic
President and Chief Executive Officer

T: (416) 943-7107
E: mstaresinic@threevalleycopper.com

Renmark Financial Communications Inc.
Joshua Lavers: jlavers@renmarkfinancial.com
T: (416) 644-2020 or (212) 812-7680
www.renmarkfinancial.com

United States
RB Milestone Group LLC (RBMG)
Trevor Brucato, Managing Director
threevalley@rbmilestone.com
www.rbmilestone.com

Source: [Three Valley Copper Corp.](#)

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/405199--Three-Valley-Copper-Suspends-Mining-Operations-and-Provides-Strategic-Review-Update.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).