

Altaley Mining Announces Positive Pre-Feasibility Study & Updated Mineral Reserves/Resources Estimates as Its Flagship Tahuehueto Mine Nears Production

07.03.2022 | [Newsfile](#)

Vancouver, March 7, 2022 - [Altaley Mining Corp.](#) (TSXV: ATLY) (OTCQX: ATLYF) (FSE: TSGA) ("Altaley" or the "Company") today announced the results of an updated Pre-Feasibility study (the "PFS") for its Tahuehueto Gold Mining Project (the "Project") located in Durango, Mexico. (All currencies within this press release are quoted USD.)

- 2022 Prefeasibility Study improves 2017 PFS increasing throughput to 1,000 tonnes per day returning a post-tax NPV of US\$110 million at 5% discount rate.
- Total Capital Cost estimate of US \$56.9 million with only \$6 million capital remaining to be invested to initiate production at 1,000 tpd. Project construction over 95% complete with initial pre-production targeted during March 2022.
- Life of Mine All In Sustaining costs (AISC) estimated at US \$844 per gold equivalent ounce at \$1,647.52/ounce Au, \$21.64/ounce Ag, \$0.92/pound Pb, \$1.14/pound Zn and \$3.60/pound Cu).
- Proven & Probable Reserves of 3.58 million tonnes grading 2.55g/t gold, 50.06 g/t silver, 1.92% zinc, 1.11% lead, 0.26% copper.
- 10.9-year Life of Mine (LOM) utilizing mostly low-cost bulk underground Sub-level Open Stopping mining method.
- Significant opportunities exist to expand the Projects Mineral Resources and Reserves base with near mine and regional exploration. Altaley plans to aggressively pursue exploration as soon as free cash flows allow or alternative funding is secured.

"As our Tahuehueto Gold Mine Project construction nears completion we are happy to disclose results of the projects updated pre-feasibility study which continues to show robust economics," said Ralph Shearing, CEO & President. "The disclosure of the 2022 PFS economics, updated reserve and resource estimation, along with our anticipated March startup of pre-production operations at Tahuehueto, are the culmination of many years of hard work by the Altaley team and as our Tahuehueto mine ramps up to full production during Q2-Q3 2022, increased cash flow will allow Altaley to recommence exploration drilling and unlock the ultimate potential of our Tahuehueto district scale project."

Pre-Feasibility Study Overview

The Project configuration evaluated in the PFS is a conventional, owner-operated underground mine, that will utilize contractor mining in a combination sub-level long hole open stope and cut and fill mining methods. Mill feed will be processed in a 1,000 tonnes per day comminution circuit consisting of primary and secondary crushing, wet grinding to an initial two-circuit flotation/concentration plant producing precious metal rich lead and zinc concentrates and subsequently, in second year of operation a third circuit added to produce copper concentrates.

The PFS was prepared by independent third-party consultants, Resource Development Associates Inc. ("RDA") and integrated updated geological interpretations based on expanded knowledge of the mineral deposit, geological modeling, an optimized mine plan and production schedule, additional metallurgical work, a mill currently under construction and updated cost estimates, all of which de-risk the Project.

The PFS provides information on the optimized Project with higher throughput rates, updated resource

estimate, and capital and operating cost estimates as compared to the project evaluated in the National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI43-101") January 2017 Technical Report (the "2017 Report"). The final version of the NI 43-101 technical report containing the PFS will be filed on SEDAR within 45 days. As a result of the changes to the Project as evaluated in the PFS, including differences in mineral resource estimation methodology and changes to the economic parameters applied to the geologic block model (metal selling prices, recovery, CAPEX, and OPEX), all of which resulted in a change in mineral resources, the Project as evaluated in the 2017 Report is no longer considered current and the 2017 Report should therefore not be relied upon by investors.

The engineering design to estimate capital costs used in the PFS are within a 20% accuracy however, the Company in 2021 elected to proceed with construction of the project which, as of the date of this press release, 90% of required construction capital has been invested in the project, advancing construction past 95% completion with most capital expenditures completed and therefore capital equipment and construction costs are known with substantially increased accuracy.

The Company cautions that the PFS is preliminary in nature and is based on technical and economic assumptions which could be further refined and evaluated in a full feasibility study. The PFS is based on an updated Project reserve and resource estimate effective as of February 23, 2022. As the Company has elected to bring the Tahuehueto Mining Project into production without the projects mineral reserves supported by a full feasibility study, the Company cautions that this could result in a higher risk of economic or technical failure of the operation that if a full feasibility study had been prepared demonstrating economic and technical viability. There are no assurances that the Tahuehueto Mining Project will be found to be economic.

The following is a summary of the material aspects and assumptions of the PFS. Investors are urged to review the complete NI 43-101 report following its filing on SEDAR for complete details of the PFS.

Project Location

The Tahuehueto Project is located in the northwest portion of the state of Durango, Mexico, approximately 250 km northwest of the capital city of Durango. The Project is located about 25 km north of the Topia polymetallic-silver mine, 48 km northwest of the La Cienega gold, silver, base metal mine, 85 km southwest of the Guanacevi silver district, 280 km southeast of the Palmarejo silver and gold mine, and 150 km northwest of the San Dimas mining district, most notable for the Tayoltita silver and gold mine.

Image 1

To view an enhanced version of Image 1, please visit:
https://orders.newsfilecorp.com/files/7883/115703_cb8e6e0f24be9866_002full.jpg

Summary of Results of the 1,000 Tonnes Per Day PFS

Table 1

OPERATING METRICS	2022 PFS
Mill Throughput (tonnes/day)	1,000
Mine Life (years)	10.9
Total Ore Processed (tonnes)	3.55M
Annual Mining Rate (tonnes)	336,000
Development-to-ore ratio (waste:ore)	0.6
Head Grade (average for the LOM)	
Pb (%)	1.1
Zn (%)	1.9
Au (g/tonne)	2.58
Ag (g/tonne)	50.5
Cu (%)	0.3
AuEq (g/tonne)	6

Recovery (average for the LOM)	
Pb (%)	85
Zn (%)	68
Au (%)	87
Ag (%)	85
Cu (%)	85
Metal Produced (total for the LOM)	
Pb (tonnes)	33,911
Zn (tonnes)	65,821
Au (troy ounces)	279,359
Ag (troy ounces)	4,879,980
Cu (tonnes)	8,893
Average Monthly Production - LOM	
Pb (tonnes)	263
Zn (tonnes)	510
Au (troy ounces)	2,166
Ag (troy ounces)	37,829
Cu (tonnes)	69

Table 2

FINANCIAL METRICS	2022 PFS	US\$
Total Net Smelter Return (Pb, Zn, Au, Ag, Cu)	533.1	\$Million
Gold Net Revenue	341.5	\$Million
Silver Net Revenue	74.0	\$Million
Lead Net Revenue	55.8	\$Million
Zinc Net Revenue	48.3	\$Million
Copper Net Revenue	13.4	\$Million
Pre-tax Net Cash flow	240.9	\$Million
Post tax Net Cash Flow	186.3	\$Million
Annual Average pre-tax net cash flow	21.4	\$Million
Pre-tax net cash flow per tonne of ore	67	\$/tonne of ore
LOM Total Capital cost - Plant, mine development, infrastructure, working capital (no contingency)	56.9	\$Million
OPEX - Development Mining	1,278.1	\$/meter
OPEX - Ore Mining	35.0	\$/tonne of ore
OPEX - Processing	22	\$/tonne of ore
OPEX - General & Administrative (G&A)	3.0	\$/tonne of ore
OPEX - Operating Cost - LOM	69.5	\$/tonne of ore
All-In Sustaining Cost of Production - LOM	844	\$/AuEq oz
Pre-tax Net Present Value (NPV) at 5% discount	152.8	\$Million
Post-tax NPV at 5% discount*	110.0	\$Million
Post-tax NPV at 10% discount	90.6	\$Million
EBIDTA LOM	246.1	\$Million
Internal Rate of Return (IRR)**	45	%
Payback Period	2.58	Years

*5% discount considered reasonable due to advanced state of Tahuehueto construction where 90% of required capital has been invested in the project, advancing construction past 95% completion with most capital expenditures completed and therefore capital costs are known with substantially increased accuracy.

**IRR is calculated with approximately \$34 million of pre-Jan 2022 expenses on the project. \$19 million of pre-2015 costs of exploration, acquisition and carrying costs have been treated as sunk costs.

Sensitivity Analysis

Table 3 below shows the average annual free cash flow and EBIDTA generated by the Project at various Gold Prices. (US Currency)

Table 3

Gold Price (\$/Oz)	FREE CASH FLOW	EBIDTA
	Average Annual (LOM)	Average Annual (LOM)
1,200	\$5.9 million	\$12.3 million
1,500	\$10.3 million	\$19.1 million
1,700	\$13.2 million	\$23.6 million
1,900	\$16.2 million	\$28.1 million
2,100	\$19.1 million	\$32.6 million

Table 4 below shows the after-tax economics at various gold prices. (US Currency)

Table 4

Gold Price (\$/oz)	After Tax NPV 0%	After Tax NPV 5%	After Tax NPV 10%	IRR (%)	Payback (Years)
	(\$M)	(\$M)	(\$M)		
1,200	64.1	51.2	41.6	14.8	4.33
1,500	112.2	89.3	72.8	33.1	3.08
1,700	144.3	114.7	93.6	44.2	2.75
1,900	176.3	140.2	114.4	55.2	2.33
2,100	208.4	165.6	135.2	66.1	2.00

Capital Costs

Key capital expenditures for initial and sustaining capital requirements are identified in the following Table 5. (All figures in US\$ Millions)

Table 5

	Initial investment up to Feb. 28, 2022	Investment remaining as at Feb. 28, 2022 to generate positive cash flow
Processing facilities	10.29	1.86
Infrastructure facilities	2.22	2.17
Mine equipment	4.05	0.09
Tailings	0.06	0.83
Mine development	0.48	0.25
Mining rights	-	-
Subtotal	17.10	5.20
Contingency	-	-
Total	17.10	5.20

* From Feb 28, 2022 to positive cash flow date

** From reaching positive cash-flow date to January 2023

*** From Jan 2023 to end of mine life

**** Life of mine capital costs and Pre-Jan 2022 capitalized costs

All-in Sustaining Costs

Table 6 highlights the all-in sustaining costs and the all-in cost over the life of the Project.

Table 6

	Life of Mine	
	US\$/AuEq	OzUS\$
Operating Costs ⁽¹⁾	734	210.9
Sustaining Capital Expenditures ⁽²⁾	77	33.65
Corporate G&A	18	8.0

Reclamation	17	7.5
All-In Sustaining Costs ⁽³⁾ ⁽⁴⁾	846	369.6
Capital Expenditures	32	13.8
All-In Costs ⁽⁴⁾	876	383.4

Rounding of some figures may lead to minor discrepancies in totals.

(1) Includes streaming, penalties, and shipping costs.

(2) Includes all mine development capital expenditures after the first 12 months of production.

(3) Includes initial capital expenditures for the first 12 months of production.

(4) All-In Sustaining Costs and All-In-Costs are non-GAAP measures. See reference to "Non-GAAP" below.

Annual Metal Production

Chart 1

To view an enhanced version of Chart 1, please visit:

https://orders.newsfilecorp.com/files/7883/115703_chart1.jpg

Chart 2

To view an enhanced version of Chart 2, please visit:

https://orders.newsfilecorp.com/files/7883/115703_chart2.jpg

Chart 3

To view an enhanced version of Chart 3, please visit:

https://orders.newsfilecorp.com/files/7883/115703_chart3.jpg

Project Mineral Reserves

Table 7 below presents the Mineral Reserve estimate for the Project as of February 23, 2022. These Proven and Probable Mineral Reserves formed the basis of the economic evaluation of the Project and are based on a metal selling prices of \$1647.5 USD/Au oz, \$21.64 USD/Ag oz, \$0.92 USD/Pb lb, \$1.14 USD/Zn lb, and \$3.6 USD/lb Cu. The economic assumptions and parameters used for the calculation of reserves are the same as those used for the PFS financial model.

Tahuehueto Project Mineral Reserve Estimate

Table 7

Classification	Tonnes (x1000)	Ag Grade (g/t)	Ag Oz (x1000)	Au Grade (g/t)	Au Oz (x1000)	Cu Grade (%)	Cu Lbs (x1000)
Proven	2,358	51.93	3,937	2.89	219	0.27	14,24
Probable	1,227	46.48	1,834	1.90	75	0.23	6,30
Proven & Probable	3,585	50.06	5,770	2.55	294	0.26	20,55

Project Mineral Resources

The mineral resource estimates set forth in the PFS ("2022 MRE") have been prepared by Resource Development Associates Inc. ("RDA").

Tahuehueto Project Mineral resource Estimate

Table 8

Classification	Tonnes (x1000)	Ag Grade (g/t)	Ag Oz (x1000)	Au Grade (g/t)	Au Oz (x1000)	Cu Grade (%)	Cu Lbs (x1000)
Measured	3,875	48.54	6,047	2.42	302	0.27	23,215

Indicated	2,385	44.43	3,407	1.60	123	0.25	13,379
M + I	6,260	46.97	9,454	2.11	425	0.27	36,594
Inferred	918	28.46	840	1.02	30	0.15	3,077

Scott Wilson CPG is the qualified person for the above estimate, effective date February 23, 2022. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Mineral Resource estimated at a 1.35 g/tonne gold equivalent cut-off grade. Gold equivalent calculations used the metal selling prices of US\$1,650/Oz Au, US\$21.02/Oz Ag, US\$0.91/Lb Pb, US\$1.15/Lb Zn and US\$3.70/Lb Cu.

Resources were estimated using assay results from 37 reverse circulation drill holes, 215 diamond core drill holes and 2,714 channel samples. Mineralization was identified in 9,599 assays. Assays were composited to nominal 1.5-meter lengths totalling 2,213 composites which were used to estimate mineralization into the vein system at Tahuehueto. A block model was constructed around the Tahuehueto vein system. Mineralization was estimated using Inverse Distance Cubed (ID3) interpolation parameters. The selective mining unit for the project is 1.5-meters. Therefore, mineralization was estimated into blocks no smaller than 1.5-meters to determine mineralization that has the reasonable prospects for eventual economic extraction

Grade and Tonnage Sensitivity to Cut-off Grades

Mineral resources at Tahuehueto are sensitive to the selection of reporting cut-off grade. To illustrate this sensitivity, the block model quantities and grade estimates within the mineral deposit are presented in table 9 at linear increases in cut-off grades for measured, indicated, and inferred mineralization. The same results are presented graphically in Figure 1. Mineralization is constrained to material that meets the reasonable prospects test. The numbers presented in Table 9 should not be misconstrued with a mineral resource statement. The figures are only presented to show the sensitivity of block model estimates to the selection of a cut-off grade. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Table 9

Cut-off AuEq g/t	Measured			Indicated			Measured & Indicated	
	Tonnes (000)	Grade Au g/t	Au Oz. (000)	Tonnes (000)	Grade Au g/t	Au Oz. (000)	Tonnes (000)	Grade Au g/t
1.00	4,149	2.28	305	2,566	1.52	126	6,715	1.99
1.25	3,964	2.37	302	2,453	1.58	125	6,417	2.07
1.50	3,744	2.49	299	2,294	1.67	123	6,038	2.18
1.75	3,509	2.62	296	2,165	1.74	121	5,674	2.28
2.00	3,233	2.79	290	1,994	1.85	118	5,227	2.43
2.25	3,077	2.89	285	1,847	1.95	116	4,924	2.53
2.50	2,894	3.01	280	1,693	2.04	111	4,587	2.65
2.75	2,693	3.14	272	1,520	2.16	106	4,213	2.79
3.00	2,503	3.28	264	1,345	2.28	99	3,848	2.93
3.25	2,346	3.41	257	1,196	2.45	94	3,542	3.08
3.50	2,207	3.54	251	1,082	2.58	90	3,289	3.23
3.75	2,055	3.71	245	963	2.76	86	3,018	3.40
4.00	1,907	3.89	239	830	3.05	81	2,737	3.64

Figure 1

To view an enhanced version of Figure 1, please visit:

https://orders.newsfilecorp.com/files/7883/115703_cb8e6e0f24be9866_006full.jpg

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves once economic

considerations are applied.

Detailed Report

A NI 43-101 compliant technical report that summarizes the results of the PFS will be filed on SEDAR at www.sedar.com within 45 days of this news release and will be available on the Company's website www.altaleymining.com at that time.

Mr. Scott E. Wilson, CPG, President of Resource Development Associates Inc., is an independent consulting geologist specializing in Mineral Reserve and Resource calculation reporting, mining project analysis and due diligence evaluations. He is acting as the Qualified Person, as defined in NI 43-101, for the overall technical report, and the Mineral Resource and Mineral Reserve Statement. Mr. Wilson has over 32 years' experience in the mining industry and is a Registered Member (#4025107RM) of Society for Mining, Metallurgy and Exploration, Inc. Mr. Wilson and Resource Development Associates Inc. are independent of the Company under NI 43-101.

Mr. Wilson has reviewed and approved the technical information summarized in this news release.

About Altaley Mining Corporation

[Altaley Mining Corp.](#) is a Canadian based mining company with two 100% owned Mexican gold, silver, and base metal mining projects.

Altaley's Tahuehueto mining project is in north-western Durango State, Mexico where construction has been advanced to an estimated 95% of completion on its 1,000 tonne per day processing facility and related mine infrastructure to initiate production of gold, silver, lead, and zinc in concentrates at Tahuehueto. The Company is targeting initial pre-production in March 2022 and ramping up to full production capacity during Q2 2022.

Campo Morado is an operating polymetallic base metal mine with mining and milling equipment currently producing at an average of 2,200 tonnes per day and is currently estimated to be Mexico's 6th largest zinc producer.

Visit: www.altaleymining.com

On Behalf of the Board of Directors

(signed) "Ralph Shearing"

Ralph Shearing, P. Geol,

CEO, President, and Director

CAUTIONARY NOTE REGARDING PRODUCTION DECISIONS AND FORWARD-LOOKING STATEMENTS

It should be noted that Altaley declared commercial production at Campo Morado prior to completing a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, readers should be cautioned that Altaley's production decision has been made without a comprehensive feasibility study of established reserves such that there is greater risk and uncertainty as to future economic results from the Campo Morado mine and a higher technical risk of failure than would be the case if a feasibility study were completed and relied upon to make a production decision. Altaley has completed a preliminary economic assessment ("PEA") mining study on the Campo Morado mine that provides a conceptual life of

mine plan and a preliminary economic analysis based on the previously identified mineral resources (see News Release dated November 8, 2017, and April 4, 2018).

Statements contained in this news release that are not historical facts are "forward-looking information" or "forward-looking statements" (collectively, "Forward-Looking Information") within the meaning of applicable Canadian securities laws. Forward-Looking Information includes, but is not limited to, the Lender's plans to acquire the Accendo Loan Facility out of liquidation and other possible events; conditions or financial performance that are based on assumptions about future economic conditions and courses of action; the timing and costs of future activities on the Company's properties, such as production rates and increases; success of exploration, development and bulk sample processing activities, and timing for processing at its own mineral processing facility on the Tahuehueto project site. In certain cases, Forward-Looking Information can be identified using words and phrases such as "plans," "expects," "scheduled," "estimates," "forecasts," "intends," "anticipates" or variations of such words and phrases. In preparing the Forward-Looking Information in this news release, the Company has applied several material assumptions, including, but not limited to, that the current exploration, development, environmental and other objectives concerning the Campo Morado Mine and the Tahuehueto Project can be achieved; that recommencement of operations at Campo Morado will proceed as planned; the continuity of the price of gold and other metals, economic and political conditions, and operations. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. There can be no assurance that Forward-Looking 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. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Neither 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 release.

For further information about Altaley Mining Corporation, please contact:
Glen Sandwell
Corporate Communications Manager
ir@altaleymining.com
Tel: +1 (604) 684-8071

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/115703>

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/408972--Altaley-Mining-Announces-Positive-Pre-Feasibility-Study-und-Updated-Mineral-Reserves--Resources-Estimates-as>

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](#).