

Hudbay Minerals Inc. Announces Filing of Technical Report for its Copper World Complex

14.07.2022 | [GlobeNewswire](#)

TORONTO, July 14, 2022 - [HudBay Minerals Inc.](#) ("Hudbay" or the "company") (TSX, NYSE: HBM) today announced that it has filed a National Instrument 43-101 technical report containing the results of the preliminary economic assessment of its 100%-owned Copper World Complex in Arizona, which includes the recently discovered Copper World deposits along with the Rosemont deposit. The results were previously released in Hudbay's news release dated June 8, 2022 and are highlighted below. All dollar amounts are in US dollars, unless otherwise noted.

- Two-phase mine plan has an after-tax net present value (10%) of \$1,296 million and generates an 18% internal rate of return at \$3.50 per pound copperⁱ
- The processing facilities are planned to have annual production capacity of 100,000 tonnes of copper cathode during Phase I and 125,000 tonnes of copper cathode during Phase II, and have been designed to reduce the project's carbon footprint to produce "Made in America" copper
- Supports U.S. copper supply through onshore production of copper cathode expected to be sold entirely to domestic customers and eliminates GHG and sulfur emissions associated with overseas shipping and processing
- Phase I reflects a standalone operation on private land and patented mining claims over a 16-year mine life with average annual copper production of approximately 86,000 tonnesⁱⁱ at cash costs and sustaining cash costs of \$1.15 and \$1.44 per pound of copperⁱⁱⁱ, respectively, generating an after-tax net present value (10%) of \$741 million and an internal rate of return of 17%ⁱ
- Phase I of the Copper World Complex includes a 60,000 ton per day sulfide concentrator, a 20,000 ton per day oxide heap leach, an SX/EW facility and a concentrate leach facility with an initial capital cost estimate of approximately \$1.9 billion. The concentrator is intended to expand to 90,000 tons per day in Phase II
- Phase II expands mining activities onto federal land and extends the mine life to 44 years with average annual copper production of approximately 101,000 tonnesⁱⁱ at cash costs and sustaining cash costs of \$1.11 and \$1.42 per pound of copperⁱⁱⁱ, respectively. Phase II provides additional optionality with an after-tax net present value (10%) of \$555 million and an internal rate of return of 49% (and a projected after-tax net present value (10%) of \$2,806 million at the time of Phase II sanctioning)ⁱ
- Significant increase in copper contained in all mineral resource categories
- Hudbay is evaluating several opportunities to optimize the project, including potential processing and initial capital optimizations, the potential to expand Phase I beyond 16 years with additions to the company's private land package for tailings and waste rock storage and the potential to accelerate Phase II if federal permits are received earlier than as outlined in the PEA

For additional details on the Copper World Complex, please refer to the technical report titled "NI 43-101 Technical Report, Copper World Complex, Pima County, Arizona USA", effective May 1, 2022, which was filed today under Hudbay's profile on SEDAR at www.sedar.com and will be filed on EDGAR at www.sec.gov.

Non-IFRS Financial Performance Measures

Cash cost and sustaining cash cost per pound of copper produced are shown because the company believes they help investors and management assess the performance of its operations, including the margin generated by the operations and the company. These measures do not have a meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. For further details on these measures, please refer to page 39 of Hudbay's management's discussion and analysis for the three months ended

March 31, 2022 available on SEDAR at www.sedar.com.

Qualified Person and NI 43-101

The scientific and technical information contained in this news release has been approved by Olivier Tavchandjian, P. Geo, Hudbay's Vice-President, Exploration and Technical Services. Mr. Tavchandjian is a qualified person pursuant to Canadian Securities Administrators' National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").

Mineral resources that are not mineral reserves do not have demonstrated economic viability. This preliminary economic assessment ("PEA") is preliminary in nature, includes inferred 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 the preliminary economic assessment will be realized.

Note to United States Investors

This news release has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101.

For this reason, information contained in this news release in respect of the Copper World Complex may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder. For further information on the differences between the disclosure requirements for mineral properties under the United States federal securities laws and NI 43-101, please refer to the company's AIF, a copy of which has been filed under Hudbay's profile on SEDAR at www.sedar.com and the company's Form 40-F, a copy of which has been filed on EDGAR at www.edgar.com.

Forward-Looking Information

This news release contains forward-looking information within the meaning of applicable Canadian and United States securities legislation. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). All of the forward-looking information in this news release is qualified by this cautionary note.

Forward-looking information includes, but is not limited to, the results of the PEA, including the production, operating cost, capital cost and cash cost estimates, the projected valuation metrics and rates of return, the cash flow and EBITDA projections, as well as the anticipated permitting requirements and project design, including processing and tailings facilities, metal recoveries, mine life and production rates for the project, the potential to further enhance the economics of the project and optimize the design, the possibility of extending the life of the first production phase, the implications of the recent court decisions in respect of the standalone Rosemont project design, the potential to obtain federal permits for the second phase earlier than planned and the costs and plans for future pre-feasibility and feasibility studies on the Copper World Complex as well as potential timelines for obtaining the required permits and financing and sanctioning the first phase of the project. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information.

The material factors or assumptions that Hudbay identified and were applied by the company in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to:

obtaining all required permits to develop the Copper World Complex;
no delays or disruption due to litigation challenging the permitting requirements for the Copper World

Complex and no significant unanticipated litigation;
the success of exploration and development activities at the Copper World Complex;
the accuracy of geological, mining and metallurgical estimates;
anticipated metals prices and the costs of production;
the supply and demand for metals Hudbay produces;
the supply and availability of all forms of energy and fuels at reasonable prices;
no significant unanticipated operational or technical difficulties;
the availability of additional financing, if needed;
the availability of personnel for the company's exploration, development and operational projects and ongoing employee relations;
maintaining good relations with the communities in which the company operates, including the neighbouring communities and local governments in Arizona;
no significant unanticipated challenges with stakeholders at the Copper World Complex;
no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters;
no contests over title to Hudbay's properties, including as a result of rights or claimed rights of Indigenous peoples or challenges to the validity of its unpatented mining claims;
an upfront stream deposit of \$230 million will be paid by Wheaton Precious Metals at the commencement of construction;
no offtake commitments in respect of production from the Copper World Complex;
certain tax matters, including, but not limited to the mining tax regime in Arizona; and
no significant and continuing adverse changes in general economic conditions or conditions in the financial markets (including commodity prices and foreign exchange rates).

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, risks associated with COVID-19 and its effect on the company's operations, financial condition, projects and prospects, risks generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy and consumable prices, supply chain constraints and general cost escalation in the current inflationary environment), risks related to ongoing and potential litigation processes and other legal challenges that could affect the permitting timeline for the Copper World Complex, risks related to changes in government and government policy, risks related to changes in law, risks in respect of community relations, risks related to contracts that were entered into in respect of the Rosemont mine project, uncertainties related to the geology, continuity, grade and estimates of mineral reserves and resources, and the potential for variations in grade and recovery rates, as well as the risks discussed under the heading "Risk Factors" in the company's AIF.

Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, you should not place undue reliance on forward-looking information. The company does not assume any obligation to update or revise any forward-looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

About Hudbay

Hudbay (TSX, NYSE: HBM) is a diversified mining company primarily producing copper concentrate (containing copper, gold and silver), zinc metal and silver/gold doré. Directly and through its subsidiaries, Hudbay owns three polymetallic mines, four ore concentrators and a zinc production facility in northern Manitoba and Saskatchewan (Canada) and Cusco (Peru), and copper projects in Arizona and Nevada (United States). The company's growth strategy is focused on the exploration, development, operation and optimization of properties it already controls, as well as other mineral assets it may acquire that fit its strategic criteria. Hudbay's mission is to create sustainable value through the acquisition, development and operation of high-quality, long-life deposits with exploration potential in jurisdictions that support responsible mining, and to see the regions and communities in which the company operates benefit from its presence. The company is governed by the Canada Business Corporations Act and its shares are listed under the symbol "HBM" on the Toronto Stock Exchange, New York Stock Exchange and Bolsa de Valores de Lima. Further information about Hudbay can be found on www.hudbay.com.

For investor and media inquiries, please contact:

[HudBay Minerals Inc.](http://www.hudbay.com)

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i The valuation metrics presented in this news release are based on a preliminary economic assessment that includes an economic analysis of the potential viability of mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability. This preliminary economic assessment is preliminary in nature, includes inferred 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 the preliminary economic assessment will be realized. See "Qualified Person and NI 43-101" below.

ii "Tonnes" refers to metric tonnes and "tons" refers to imperial or U.S. short tons. The mine plan assumes external concentrate is sourced in years when spare capacity exists at the SX/EW facility in order to maximize the full utilization of the facility. Copper cathode production from mined resources excludes the production from external concentrate. Average annual copper cathode production from external concentrates is approximately 12,000 tonnes in Phase I and 22,000 tonnes in Phase II. There remains the potential to replace external copper concentrate with additional internal feed.

iii Cash cost and sustaining cash cost, net of by-product credits, per pound of copper produced from internally sourced feed and excludes the cost of purchasing external copper concentrate, which may vary in price or potentially be replaced by additional internal feed. By-product credits calculated using the following commodity prices: molybdenum price of \$11.00 per pound, silver stream price of \$3.90 per ounce and amortization of deferred revenue as per the company's approach in its quarterly financial reporting. By-product credits also include the revenue from the sale of excess acid produced at a price of \$145 per tonne. Sustaining cash cost includes sustaining capital expenditures and royalties. Cash cost and sustaining cash cost are non-IFRS financial performance measures with no standardized definition under IFRS. For further details on why Hudbay believes cash costs are a useful performance indicator, please refer to the company's most recent Management's Discussion and Analysis for the three months ended March 31, 2022.

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