

Osisko Metals Files Positive Pine Point PEA

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MONTREAL, Aug. 29, 2022 - [Osisko Metals Inc.](#) (the "Company" or "Osisko Metals") (TSX-V: OM; OTCQX: OMZNF; FRANKFURT: 0B51) is pleased to announce that further to its news release dated July 13th "Osisko Metals Releases Positive Update for Pine Point PEA", it has filed by today the associated National Instrument 43-101 ("NI 43-101") technical report for its wholly-owned Pine Point Project (the "Pine Point Project" or the "Project"), located near the town of Hay River in the Northwest Territories, Canada. The report, entitled "Preliminary Economic Assessment for the Pine Point Lead-Zinc Project" (the "Report") is dated effective July 11, 2022.

The Report was prepared in collaboration with independent engineering firms BBA Inc., WSP Canada Inc., & Hydro-Resources Inc. ("HRI").

The objective of the 2022 PEA Update was to integrate updated long-term prices for zinc and lead, increased mined resources, cost escalations in CAPEX and OPEX, and reduced life-of-mine water management costs resulting from the recently completed hydrogeological model. As previously reported, the latter reduced the estimated dewatering volume by 30% compared to the 2020 PEA with the potential for a further forecasted reduction of 15% as the project advances to feasibility.

A copy of the Report can be found at www.sedar.com. A summary and key highlights are listed below, including non-material edits from the July, 13th, 2022 news release.

Table 1: PEA Highlight Results (all figures in CAN\$ unless otherwise noted) *

After-Tax Internal Rate of Return ("IRR")	25%
After-Tax Net Present Value ("NPV") (Discount Rate 8%)	\$602M
After-Tax Payback Period (Years)	3.8
Pre-Production CAPEX (including \$106.6M Contingency)	\$653M
Average Annual LOM Production Zinc	329Mlb
Average Annual LOM Production Lead	141Mlb
Life of Mine ("LOM")	12 Years
Total Mineral Resources Mined	46.9Mt
Average ZnEq Diluted (12%) Grade of Mineral Resources Mined	5.9%
Gross Revenue After Royalty (LOM)	\$7,623M
After-tax Operating Cash Flow (LOM)	\$2,754M
C1 Costs over LOM (ZnEq)**	US\$0.61/lb
All-In Costs (including sustaining CAPEX, ZnEq)***	US\$0.80/lb
LOM Zinc Price	US\$1.37/lb
LOM Lead Price	US\$0.97/lb
FX Rate (CAD:USD)	1.27

* See *Cautionary Statement below*

** C1 cost includes mine site cost plus smelting, transport and royalty

*** All-in costs are C1 plus sustaining CAPEX

Hydrogeology Highlights:

- This is the first time a hydrogeological Site Wide Numerical Model ("SWNM") has been used for the Pine Point Project, providing insight into dewatering requirements.

- The new Cluster mining strategy in combination with the hydrogeological modelling reduced dewatering estimations by 30% on an annual basis for various key Operating and Sustaining Capital Expenditures directly associated with dewatering when compared to mining the open pits individually.
- Current data suggests that there is potentially an additional reduction of up to 15% beyond the current simulation estimates.
- Ongoing modelling will further optimize the LOM plan strategy to pump less water, use less energy, and continue to reduce dewatering costs. This also means reduced NG-generated power requirements, and less GHG emissions for a smaller footprint.
- Further optimization of the SWNM and the LOM plan will be a main objective of the feasibility study.

Mineral Resource Estimate (MRE) Highlights:

- Indicated Mineral Resource: 15.8Mt grading 4.17% Zn and 1.53% Pb representing approximately 25% of the declared tonnage in the updated 2022 MRE
- Inferred Mineral Resource: 47.2Mt grading 4.43% Zn and 1.68% Pb
- Indicated and Inferred Mineral Resource tonnages increased by 22% and 26%, respectively
- The differences in tonnage/grade between the 2020 and 2022 MRE are attributable to parameter changes used for the pit shells and the cut-off grade calculation.
- The feasibility study will include drilling from 2019 until the end of the drill campaign in H1 2023. This drilling will aim to upgrade the Inferred Resources to the Indicated category for the feasibility study MRE.

2022 PEA Update - Detailed cost breakdown

The increase in pre-production CAPEX relative to the 2020 PEA is largely due to a 12% inflation factor, nominally natural gas ("NG"), steel and concrete. Sustaining CAPEX has also increased over the LOM as the mine life was extended by two years. The Company also initiated the use of the Deswik mining software in order to facilitate running various LOM plans, balancing between realizing the benefits of using the Cluster mining strategy, that groups open pit mines in close proximity, to reduce dewatering volumes for the overall Life of Mine ("LOM") and provide a more accurate operating cost compared to the 2020PEA

Table 2: LOM Capital Cost Summary (in C\$M)

Cost Area	Pre-Production Capital Costs (\$M)	Sustaining Capital Costs (\$M)	Total
General Administration (Owner's costs)	22.8	0.0	22.8
Underground Mine	0.0	183.3	183.3
Open-pit Mine	15.7	80.6	96.3
Electricity and Communications	45.7	19.3	64.9
Site Infrastructure	59.7	11.8	71.5
Process Plant	297.3	0.0	297.3
Tailings, Mine Waste and Water Management	47.7	123.6	171.3
Indirect Costs	76.6	0.0	76.6
Contingency	87.8	23.7	111.5
Capitalized Operating Costs	0.0	174.5	174.5
Total	653.3	616.8	1270.1
Site Reclamation and Closure	0.0	68.0	68.0
Salvage Value	0.0	-19.6	-19.6
Total - Forecast to spend	653.3	665.1	1318.4

Sensitivity

The Pine Point Project is expected to be a robust, profitable operation at a variety of prices and assumptions.

Metal prices used in the 2022 PEA Update study are based on weighted two-year moving averages, hence \$1.37/lb zinc and \$0.97/lb lead.

Under more bullish scenarios, especially when considering record low inventory levels and continued lack of investment in the zinc production space, the Project demonstrates even stronger economic returns and is well-positioned to benefit from a higher zinc price. At long term US\$1.50/lb zinc, \$1.00/lb lead and FX 1.25, the Project returns an NPV of C\$787M with an IRR of 29% on an after-tax basis.

A lower commodity pricing scenario was also modeled using US\$1.30/lb zinc, \$0.95/lb lead and FX 1.29). Even at lower prices, Pine Point would still generate a robust NPV of C\$526M and IRR of 23% on an after-tax basis.

Table 3: Operating Costs

Mining Costs (per)	
Surface*	\$/Tonne Mined \$ 3.36
Underground - West Zone**	\$/Tonne Mined \$ 40.01
Underground - Central Zone**	\$/Tonne Mined \$ 52.07
Processing Costs	\$/Tonne Milled \$ 12.27
Power Operating Cost	\$/Tonne Milled \$ 4.61
G&A Costs	\$/Tonne Milled \$ 8.11

*LOM Average and inclusive of ore, overburden and waste rock

**Inclusive of transport to the mill

Cautionary Statement

The reader is advised that the PEA summarized in this press release is preliminary in nature and is intended to provide an updated high-level review of the project's economic potential and design options. The PEA Update mine plan and economic model include numerous assumptions and the use of Inferred Mineral Resources. Inferred Mineral Resources are considered to be too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that further work will result in the definition of economic mineral reserves at Pine Point.

Independent Qualified Persons

This PEA was prepared for Osisko Metals by BBA Inc, WSP Canada Inc., and other industry consultants, all Qualified Persons ("QP") under National Instrument 43-101. The study was coordinated by the Company's Project Manager Xavier Pouchain PMP in collaboration with Osisko Metals.

The independent QPs have reviewed and approved the content of this press release and they include:

Colin Hardie, P.Eng., (BBA Inc.)

Hugo Latulippe, P.Eng., (BBA Inc.)

Pierre-Luc Richard, P. Geo. (PLR Resources Inc.)

Zakaria Moctar, P. Eng., (WSP inc.)

Paul Gauthier, P. Eng., (WSP Inc.)

Trent Purvis, P. Eng., (WSP Inc.)

Simon Latulippe, P. Eng., (WSP Inc.)

Michael Verreault, P. Eng., M.Sc.A. (Hydro-Ressources Inc.)

About Osisko Metals

[Osisko Metals Inc.](#) is a Canadian exploration and development company creating value in the critical metals space. The Company controls one of Canada's premier past-producing zinc mining camps, the Pine Point Project, located in the Northwest Territories for which the 2022 PEA has indicated an after-tax NPV of \$603M and an IRR of 25% based on the current Mineral Resource Estimates that are amenable to open pit and shallow underground mining and consist of 15.7Mt grading 5.55% ZnEq of Indicated Mineral Resources and 47.2Mt grading 5.94% ZnEq of Inferred Mineral Resources. Please refer to the technical report entitled "Preliminary Economic Assessment, Pine Point Project, Hay River, Northwest Territories, Canada" dated July 30, which has been filed on SEDAR. The Pine Point Project is located on the south shore of Great Slave Lake in the Northwest Territories, near infrastructure, paved highway access, and has an electrical substation as well as 100 kilometres of viable haulage roads already in place.

The Company is also in the process of acquiring, from Glencore Canada, a 100% interest in the past-producing Gaspé Copper Mine, located near Murdochville in the Gaspé peninsula of Quebec. The Company is currently focused on resource evaluation of the Mount Copper Expansion Project that hosts a NI43-101 Inferred Resource of 456Mt grading 0.31% Cu (see April 28, 2022 press release). Gaspé Copper hosts the largest undeveloped copper resource in Eastern North America, strategically located near existing infrastructure in the mining-friendly province of Quebec.

For further information on this press release, visit www.osiskometals.com or contact:

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Cautionary Statement on Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation based on expectations, estimates and projections as at the date of this news release. Any statement that involves predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance are not statements of historical fact and constitute forward-looking information. This news release may contain forward-looking information pertaining to the Pine Point Project, including, among other things, the results of the PEA and the IRR, NPV and estimated costs, production, production rate and mine life; the expectation that the Pine Point Project will be an robust operation and profitable at a variety of prices and assumptions; the expected high quality of the Pine Point concentrates; the potential impact of the Pine Point Project in the Northwest Territories, including but not limited to the potential generation of tax revenue and contribution of jobs; and the Pine Point Project has the potential for mineral resource expansion and new discoveries. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about; favourable equity and debt capital markets; the ability to raise additional capital on reasonable terms to advance the development of its projects and pursue planned exploration; future prices of zinc and lead; the timing and results of exploration and drilling programs; the accuracy of mineral resource estimates; production costs; operating conditions being favourable; political and regulatory stability; the receipt of governmental and third party approvals; licenses and permits being received on favourable terms; sustained labour stability; stability in financial and capital markets; availability of equipment; and positive relations with local groups. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from such forward-looking information are set out in the Company's public documents filed at www.sedar.com. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are

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