

Batero Gold Corp Announces Mineral Resource Update and Robust Preliminary Economic Assessment for the La Cumbre Project

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Vancouver, October 6, 2022 - [Batero Gold Corp.](#) (TSXV: BAT) (FSE: 68B) (OTC Pink: BELDF) ("Batero," "The Company") today announced the results of the Mineral Resource update and the preliminary economic assessment ("PEA") of its 100% owned La Cumbre project located in the department of Risaralda, Colombia.

Highlights include:

- The present Mineral Resource update now include the Primary zone, which increase the resources in 113 Mt with 0.462 Au g/t and 1.7 Moz Au.
- The project has two phases with different capital investments in order to reach the infrastructure requirements of each phase. The first phase corresponds to the mining of the ore contained in the oxide and transition zones, which will be agglomerated and processed in leach pads at a throughput of 15 ktpd. The second phase involves the mining of the primary sulfide zone that will be processed in a flotation and gravimetry plant at a throughput of 30 ktpd.
- Stage I will have an average annual production of approximately 75.4 koz Au and 96.4 koz Ag. The second stage expands mining activities into the sulphide zone and extends the mine life to 14 years with average annual production of approximately 131.7 koz Au and 230.1 koz Ag.
- In the first stage, 452 koz Au and 578 koz Ag will be produced. In the second stage, 1.18 Moz Au and 2.15 Moz Ag will be produced.
- The estimate capital expenditure for phase one totals US\$169.5 million of initial capital while phase two totals US\$248.3 million for the expansion.
- The total operating cost including mining, processing, site G&A, treatment and refining adds to a total of US\$1,113 million. The C1 cash cost on a by-product basis over the life-of-mine totals US\$684/oz of gold or US\$12.90/t milled.
- The economic analysis was performed assuming a 5% discount rate. The pre-tax NPV discounted at 5% is US\$730 million; the IRR is 47.5%, and payback period is 1.9 years. On a post-tax basis, the NPV discounted at 5% is \$481 million, the IRR is 32.1%, and the payback period is 2.5 years.

All dollar amounts are in US dollars, unless otherwise noted.

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 the mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability; however, given the advanced engineering detail of the components, this could be considered as an advance estimate of potential Mineral Reserves. This preliminary economic assessment is preliminary in nature, including resources inferred in the Mineral Resources Statement that are considered too geologically speculative to apply the economic considerations that would allow them to be classified as mineral reserves. However, for the estimation of the mine life and consequent economic evaluation, all material considered as an inferred resource was considered as waste. See "Qualified Person and NI 43-101" below.

Successfully Executing an Alternative Strategy

Batero is carrying out all the processes related to activating the "proportionality test" with the Emberá

Karambá indigenous community with the objective that, together with the protocolization stage carried out with the Emberá Chami group, the prior consultation process can be fulfilled with both indigenous biases, in order to file the environmental impact study (EIS).

Discovering New Mineralization on Patented Mining Claims

Three intrusive centers have been identified within the mining property: Dos Quebradas, Mandeval-Centro and La Cumbre. They are copper-poor gold porphyry-type systems in which the intermediate argillic conclusion locally overprints an early potassic assemblage and stockwork of quartz veins, where gold is found in altered dioritic intrusions and contact zones. The Dos Quebradas and Centro-Mandeval intrusives were verified with some drilling, pending their characterization and development of the filling program to determine their mining potential. Additionally, to the south of the property, epithermal-type mineralized structures and the presence of mineralized breccias have been found.

Expanding Private Land Package

Batero has been acquiring surface property that is within the area of influence of the pit and mining infrastructure. To date, it has 67 properties corresponding to 250.51 Ha, which fully cover the area of influence of the pit and the area of influence of the deposit of organic and waste material located north of the pit and, partially, the areas corresponding to the stockpile and plant.

The pending properties are under evaluation of the state of titles and commercial appraisals.

Unlocking District Potential

Following the success of exploration in the mining concessions, Batero began evaluating alternative design options to generate value within this potential district. This included the reevaluation of the 2018 Mineral Resources, the incorporation of new Mineral Resources from successful exploration results and the completion of metallurgical testing, leading to a comprehensive review of the mine plan, the design of the process, mining infrastructure siting strategies, and permitting requirements for the new project.

2022 PEA Summary

The La Cumbre Project contemplates a two-phases mine plan, the first phase reflects a 6-year mine life. Phase II extends the mine life to 14 years through an expansion to the sulphide zone by gravimetry and flotation.

Phase I contemplates average annual production of up to 75.4 koz Au and 96.4 koz Ag over a 6-year mine life. Phase II contemplates an expansion of the processing facilities which would increase average annual production up to 131.7 koz Au and 230.1 koz Ag over the remaining life of mine. The total operating cost including mining, processing, site G&A, treatment and refining adds to a total of US\$1,113 million. The C1 cash cost on a by-product basis over the life-of-mine totals US\$684/ oz of gold or US\$12.90/t milled. 21. The estimate for phase one capital expenditure includes a contingency of 12.8% and totals US\$169.5 million of initial capital while phase two includes a contingency of 25% and totals US\$248.3 million for the expansion.

The first stage, designed to treat the ore from the oxide and transition zones at a rate of 15,000 tons per day, has as its principal process the extraction of gold by leaching with cyanide solution in dynamic pads with estimated recovery of 85.5% in 18 days of spraying. The second stage, designed to treat 30,000 tons per day of ore from the primary zone, aims to concentrate the gold-bearing ore by gravimetric and flotation processes, with laboratory tests estimating a recovery of 84.9% between the two concentrates. Subsequently, the concentrates are leached by the CIL process, where a recovery of 95% is estimated, giving an overall recovery of 80.6% gold.

With the inclusion of phase II and assuming a gold price of \$1,750 per ounce, the pre-tax net present value of the total project using a 5% discount rate is US\$730 million; the IRR is 47.5%, and payback period is 1.9 years. On a post-tax basis, the NPV discounted at 5% is \$481 million, the IRR is 32.1%, and the payback

period is 2.5 years.

According to the tables 1 and 2 the valuation metrics are highly sensitive to the gold price and at a price of \$1,925 per ounce, the post-tax net present value of LOM, using a 5% discount rate, increases to \$609 million and the internal rate of return in LOM increases to 38.4%.

Table 1
¹NPV 5% at Various Scenarios

Variation	Gold prices (US\$m)	Silver prices (US\$m)	Opex (US\$m)	Initial capex (US\$m)	Sustaining capex (US\$m)
(20%)	223	476	586	535	486
(10%)	352	478	533	508	483
Base Case	481	481	481	481	481
10%	609	483	428	453	478
20%	737	486	375	426	475

¹Net present value and internal rate of return are shown on a post-tax basis.

Table 2
 IRR at Various Scenarios

Variation	Gold prices (%)	Silver prices (%)	Opex (%)	Initial capex (%)	Sustaining capex (%)
(20%)	18.7%	31.9%	37.0%	41.8%	32.4%
(10%)	25.6%	32.0%	34.6%	36.5%	32.3%
Base Case	32.1%	32.1%	32.1%	32.1%	32.1%
10%	38.4%	32.3%	29.7%	28.5%	32.0%
20%	44.5%	32.4%	27.1%	25.5%	31.9%

A summary of key valuation, production and cost details from the PEA can be found below in Table 3. For further details, including operating and cash flow metrics provided on an annual basis, please refer to Exhibit 1 and 2 at the end of this news release. For further details regarding the nature of the PEA and its limitations, please refer to "Qualified Person and NI 43-101" below.

Table 3
 LoM Financial Valuation and Parameters

Item	Unit	Open pit
Commodity Prices (Long term)		
Gold Price	US\$/oz	\$1,750
Silver Price	US\$/oz	\$22.00
LoM Mine Plan Summary		
Mine Life	Years	14.0
Minable resource ¹	kt	106,594
Gold grade	g/t	0.56
Silver grade	g/t	1.57
Processing Rate	tpd	15,000-30,000
LoM Processing Recovery (Oxide and Transitional Materials)		
Gold Recovery	%	85.5%
Silver Recovery	%	46.9%
LoM Revenue		
Net Revenue	US\$m	\$2,905.4
LoM Operating Cost		
Mining	\$/t processed	3.66
Processing	\$/t processed	6.98
Site G&A	\$/t processed	0.22
Treatment, Refining, Freight	\$/t processed	0.13
By-product credits	\$/t processed	(0.55)

Item	Unit	Open pit
C1 Cash Operating Cost	US\$/oz	684.22
AISC Cost	US\$/oz	770.89
Operating Costs	US\$M	\$1,171.5
Royalties	US\$M	\$92.5
LoM Cash Flow		
EBITDA	US\$M	\$1,641.4
Net Cash Flow		
Less: Cash taxes	US\$M	(\$352.4)
Less: Change in working capital	US\$M	\$0.0
Less: Capital expenditures	US\$M	(\$466.3)
Net Cash Flow	US\$M	\$822.7
Post-Tax NPV 5%	US\$M	\$480.6
Post-Tax IRR	US\$M	32.1%
Payback (1st phase)	Years	2.5

1. Gold spot price 1575 US\$/oz and silver spot price 20 US\$/oz. Cut-off for leachable materials is 0.243 Au g/t and for mill process is 0.20 Au g/t

Overview of Proposed Operation

Batero Gold's La Cumbre project is planned to be a traditional open pit truck and excavator operation with a flotation sulphide gold processing plant and an oxide leach processing facility producing gold and silver doré bars.

The proposed ore haulage at the La Cumbre project is based on a conveyor belt system in addition to 35-tonne capacity trucks. Minera Quinchia considers that possibility of using only trucks as transportation method would increase social risks due to increased road traffic. Consequently, the ore will be transported by trucks to a temporary zone within the project area, and from there, it is being planned to use conveyor belts to transport it to the interim stockpiles in the La Perla or Matecaña sector. This re-handling is planned to be supported by load haul dump (LHD) equipment to the area assigned for final heap leaching.

An additional benefit of using a belt conveyor system is the potential generation of electrical energy from the operations in the favorable -549 m vertical distance over 2250 m in length. The overland belts have a descending path that allows conceptualizing their regenerative nature, resulting in a possible economic advantage estimated at -0.09 \$/ton compared to truck system transport. These possibilities are still under study and have not been defined in this PEA.

The overall mining operation is expected to be a 2-phase open pit. Phase I will operate on land 100% owned by Batero Gold and will last 6 years. This phase is focused on extracting ore from the oxide and transition zones and their recovery through the leaching process. All waste and tailings will be disposed in dumps and pads located on private land owned by Batero Gold. Phase II of the Project has exploration completed and will extend the life of the mine up to 14 years, all permitting is supposed to be completed and the remaining land acquisition will be completed.

During phase I, 23% of commercial ounces will be obtained with the operation at a mining rate of 15,000 tons per day, both the ore and the waste will be transported through the overland conveyor, which has an approximate capacity of 30,000 tons per day. Phase II will operate at a rate of 30,000 tons per day, waste dumps will be located north of the pit and will be transported by mining trucks, during this phase the remaining 73% of planned ounces will be obtained.

The waste storage facilities (WSF) and tailings storage facility (TSF) for Batero are under conceptual design, in contrast to the heap leaching area which is at an advanced stage of design (can be considered as PFS).

Mineral Resource Estimate

The mineral resource estimate has an effective date of December 31, 2021, that is the cut-off date for information used in the estimate. Mineral resources that are not reserves do not have demonstrated economic viability. Table 4 summarizes the mineral resource estimate for the La Cumbre deposit.

Table 4

Total Mineral Resource Statement for All Mineral Zones - December 31, 2021:

Resource	Volume	Density	Tonnage	Au g/t	Au oz	Ag g/t	Ag oz
Measured	49,317,902	2.624	129,421,866	0.509	2,117,649	1.52	6,336,330
Indicated	2,411,421	2.606	6,283,667	0.383	77,476	0.45	91,432
Meas. + Ind.	51,729,322	2.623	135,705,533	0.503	2,195,124	1.47	6,427,763
Inferred	356,987	2.533	904,088	0.413	12,005	1.32	38,472

Notes to accompany La Cumbre Mineral Resource tables:

1. Mineral Resources have an effective date of December 31, 2021. The Qualified Person for the estimate is Mr. Walter La Torre, CP and MAusIMM.
2. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
3. Mineral Resources are reported within a conceptual optimized pit that uses the following input parameters: Au price: US\$1,750/troy oz and US\$22.0/troy oz Ag, mining cost: US\$1.95/t, process cost (including G&A): US\$9.08/t processed, gold selling cost: US\$47.00/troy oz and overall slope angle of 38°.
4. Gold recovery in the oxide and transitional zones was fixed at 85.5%. Gold recovery in the primary zone was fixed at 84.1%.
5. Mineral Resources (Oxide) are reported using a 0.218 Au g/t cut off grade.
6. Mineral Resources (Transitional) are reported using a 0.218 Au g/t cut off grade.
7. Mineral Resources (Primary) are reported using a 0.179 Au g/t cut off grade.
8. Totals may not sum due to rounding as required by reporting guidelines.

Qualified Persons

Mr. Walter La Torre, MAusIMM (CP), is a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. Mr. La Torre reviewed and approved the scientific or technical disclosure in this release and has verified the data disclosed.

About Batero Gold

[Batero Gold Corp.](#) is a precious and base metals advanced exploration company. The company's objective is to develop the La Cumbre deposit. La Cumbre is located within the Company's 100% owned Batero-Quinchia Gold Project, which sits within Colombia's emerging and prolific Mid Cauca gold and copper belt, which has measured and indicated resources of about 2.2 million ounces of gold and 6.4 million ounces of silver. In pursuing these objectives, Batero plans to leverage its secure treasury position, strong regional relationships, experienced management team, and long-term financial partners. Shares of the Vancouver-based company trade on the TSX-Venture Exchange under the symbol "BAT".

For further information please visit the Batero Gold Resource website at <http://www.baterogold.com> or contact:

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Exhibit 1: Mine Plan and processing schedule

Table 5
 Life of Mine Plan

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
Ore Leach kt	3,844	5,400	5,400	5,400	1,293	571	193	232	492	834	550	0	0	0
Ore Mill kt	65	94	223	34	3,563	6,800	7,534	8,883	10,800	10,800	10,800	10,800	10,800	1,187
Waste kt	1,605	1,281	1,190	770	2,392	1,948	3,007	6,482	11,952	7,777	7,129	4,163	2,485	95
Leach Au g/t	0.61	0.81	0.77	0.70	0.52	0.60	0.50	0.42	0.39	0.33	0.30	0.00	0.00	0.00
Leach Ag g/t	1.46	1.55	1.73	1.72	1.45	1.45	1.94	1.34	1.56	1.23	0.92	0.00	0.00	0.00
Mill Au g/t	0.52	0.66	0.69	0.74	0.78	0.84	0.65	0.63	0.48	0.44	0.45	0.42	0.42	0.42
Mill Ag g/t	1.42	1.44	1.49	1.70	1.67	1.73	1.82	1.54	1.45	1.73	1.52	1.37	1.51	1.42

Note: Leach include oxide and transitional ore. Mill is referred as Flotation-Gravimetry plant and include only primary sulfide ore.

Table 6
Processing Schedule

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
	Heap Leaching													
Processing ore Mt	3.80	5.40	5.40	5.40	1.30							2.90		
Au g/t	0.61	0.81	0.77	0.70	0.52							0.40		
Ag g/t	1.46	1.55	1.73	1.72	1.45							1.33		
	Flotation													
Processing ore kt					4.00	6.80	7.50	8.90	10.8	10.80	10.80	10.80	10.80	10.80
Au g/t					0.78	0.84	0.65	0.63	0.48	0.44	0.45	0.42	0.42	0.42
Ag g/t					1.67	1.73	1.82	1.54	1.45	1.73	1.52	1.37	1.51	1.42

Note: Processing ore include leach and sulfide ore. Leach include oxide and transitional ore. Mill is referred as Flotation-Gravimetry plant and include only primary sulfide ore. Treatment plan is a conceptual plan from the strategic mine plan at PEA level prepared by Batero's staff.

Exhibit 2: Detailed Cash Flow Model and Key Assumptions

A detailed cash flow model containing annual production and cost information is shown below. Overall assumptions for commodity prices, marketing parameters, operating costs and capital costs are also provided.

Table 7
Financial Model Summary

Item	Units	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gold price	US\$/oz	1750	1750	1750	1750	1750	1750	1750	1750	1750	1750	1750	1750
Silver price	US\$/oz	22	22	22	22	22	22	22	22	22	22	22	22
Mining t ore	kt	-	3,909	5,494	5,623	5,434	4,856	7,371	7,727	9,115	11,292	11,634	11,634
Mining t waste rock	kt	-	1,605	1,281	1,190	770	2,392	1,948	3,007	6,482	11,952	7,777	7,777
Strip Ratio	W:O	-	0.41x	0.23x	0.21x	0.14x	0.49x	0.26x	0.39x	0.71x	1.06x	0.67x	0.67x
Processing t ore	kt	-	3,844	5,400	5,400	5,400	5,273	6,800	7,534	8,883	10,800	10,800	10,800
Gold Grade	%	-	0.61	0.81	0.77	0.7	0.72	0.84	0.65	0.63	0.48	0.44	0.44
Silver Grade	%	-	1.46	1.55	1.73	1.72	1.62	1.73	1.82	1.54	1.45	1.73	1.73
Payable Gold	koz	-	64	120	114	104	102	153	131	151	140	129	129
Payable Silver	koz	-	82	123	137	136	135	190	222	222	253	302	302
Gold revenues	US\$m	-	113	211	200	182	179	268	230	264	245	226	226
Silver revenues	US\$m	-	2	3	3	3	3	4	5	5	6	7	7
Total Revenue	US\$m	-	114.3	213.4	202.7	184.8	182	271.7	234.6	269.1	250.1	232.4	232.4
(-) Downstream costs	US\$m	-	-0.5	-0.9	-0.9	-0.8	-0.8	-1.2	-1.1	-1.2	-1.2	-1.1	-1.1
Net Revenue	US\$m	-	113.8	212.4	201.8	184	181.2	270.5	233.5	267.9	249	231.3	231.3
(-) Mining costs	US\$m	-	-13.6	-16.7	-16.8	-15.7	-18.8	-23.5	-26.8	-38	-55.6	-46.7	-46.7

Item	Units	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year
(-) Processing costs	US\$m	-	-31.7	-43.9	-43.9	-43.9	-37.5	-45.5	-50.2	-58.9	-71.3	-71.3	
(-) G&A	US\$m	-	-1.5	-1.5	-1.5	-1.5	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	
(-) Royalties	US\$m	-	-3.6	-6.8	-6.5	-5.9	-5.8	-8.7	-7.5	-8.6	-8	-7.4	
EBITDA	US\$m	-	63	144	133	117	117	191	147	161	112	104	
EBITDA Margin	%	-	55%	67%	66%	63%	64%	70%	63%	60%	45%	45%	
C1 cash cost	US\$m	-	45.5	60.3	60.1	59	55.9	67.8	75	95	124.2	114.2	
AISC	US\$m	-	49.2	67.1	76.1	64.8	61.7	88.3	82.4	103.6	143.5	121.6	
C1 cash cost	US\$/oz	-	707.7	501.3	527.1	567.3	546.7	443.5	571.1	629	888.8	885.2	
AISC	US\$/oz	-	764.3	557.8	667.3	624	603.4	577.9	628	685.8	1,026.4	942.6	
(-) Cash taxes	US\$m	-	-13.6	-40.2	-36.9	-29.5	-27.9	-47.9	-33.8	-35.9	-18.1	-15.7	
(-) Change in working capital	US\$m	-	-16.1	-12.9	1.3	2.3	0.5	-11.7	4.3	-5.1	1.1	2.6	
(-) Capital expenditures	US\$m	-169.5	-	-	-9.5	-149	-99.3	-11.9	-	-	-11.3	-	
Unlevered Free Cash Flow	US\$m	-169.5	33.7	90.4	87.9	-59.2	-9.5	119.6	117.8	119.7	84.1	91.1	
Cumulative Cash Flow	US\$m	-169.5	-135.8	-45.4	42.5	-16.7	-26.1	93.5	211.3	331	415.1	506.2	

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