

Cerrado Files NI 43-101 PEA Technical Report and MRE for The Minera Don Nicolas Mine in Santa Cruz

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- **After Tax NPV5% of US\$111 Million at US\$2,100/oz Au price**
- **After Tax NPV5% of US\$153 Million at Spot prices ¹**
- **Average annual production targeted at approx. 56,000 Gold Equivalent Ounces ("GEO") ²**
- **Life of Mine Average annual EBITDA of US\$49 Million and FCF of US\$25 Million**
- **LOM average EBITDA of US\$64 Million and FCF of US\$34 Million at Spot prices ¹**
- **Mine life of 5 years, from April 2024 based on existing Resources**
- **Average Cash Costs of US\$866/oz; Avg AISC US\$1,148/oz**
- **No Material Upfront Capital Expenditures required**
- **Updated Mineral Resource Estimate contains 490,000ozs of Measured and Indicated Resources and 121,150 ozs of Inferred Resources with potential upside from continued drilling & resource expansion**
- **Spot prices; Au: US\$2,400/oz and Ag:US\$29/oz**
- **GEO calculated by multiplying recovered silver ounces by (25/2100)**

TORONTO, Sept. 19, 2024 - [Cerrado Gold Inc.](#) ("Cerrado" or the "Company") is pleased to announce that it has filed the technical report of the Preliminary Economic Assessment ("PEA") and an updated Mineral Resource Estimate ("MRE") prepared by GeoEstima SpA in accordance with National Instrument NI 43-101 for its Minera Don Nicolas mine located in Santa Cruz Province, Argentina. The work was completed by GeoEstima SpA. The full report is now filed and available on SEDAR+ as of September 19, 2024.

Mark Brennan, CEO of Cerrado Gold commented "The results of the PEA support our view that MDN is set to enter a period of stable operations, generating robust cash flows and improving the balance sheet. We have already demonstrated this in our most recent Q2 results, and we expect the trend to continue this quarter. This, when combined with the expected US\$45MM in total cash payments for the recent option granted on our Brazilian asset over the next two years will position Cerrado for future growth. We continue to view MDN as early in its exploration life and our ongoing drill program is designed to increase mine life and unlock the potential for MDN to become a world-class multi-deposit district in the future."

PEA Summary Results

PEA Base Case ¹

Average Annual Gold Equivalent Production (ounces)	55,683
Mine life (years) - Mine Plan start Date 1 April 2024	5.0
Total Gold Equivalent Production (ounces)	278,417
NPV @ 5% discount rate (millions, after-tax)	\$ 111
NPV @ 8% discount rate (millions, after-tax)	\$ 105
Gold Price (US\$/oz)	2,100.0

Silver Price (US\$/oz)	25.0
Average Annual EBITDA	\$ 49 M
Average Annual FCF	\$ 25 M
Capital Costs	
Initial capital expenditure (Initial Capex)	\$ 0 M
Sustaining capital expenditures	\$ 9.5 M
Reclamation cost	\$ 7 M
Salvage Value	\$ 3.3 M
Operating Costs	
Total cash cost (per ounce sold) ²	866
Mine-site all-in-sustaining cost (per ounce sold) ³	1,148

Notes:

1. Sprott Streaming Agreement has been excluded from this analysis
2. Before royalties and after by-product credits
3. Include C1 cash costs, plus royalties plus sustaining capital

Mineral Resource Estimate

The PEA is based on the updated Mineral Resource Estimate (MRE), prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects, completed by GeoEstima, with an effective date of April 1st, 2024, as presented below. It should be noted that Mineral Resources, which are not Mineral Reserves do not have demonstrated economic viability. This update reflects not only those resources assumed to be mined in the PEA but also other defined resources within the greater MDN property. Estimation of depleted satellite Mineral Resources was validated by Cerrado's Qualified Persons ("QPs"), as defined in NI 43-10, keeping estimation parameters from the previous technical report (SRK 2020), and using updated drilling data bases and constraining pit shells.

Mineral Resources

The following table shows our estimates of Mineral Resources prepared with an effective date of April 01, 2024 (except as indicated below).

Mine	Classification	Tonnage	Grade Values Metal Content			
			Au	Ag	Au	Ag
			kt	g/t	g/t	k oz
Calandrias Sur ¹ (Open pit)	Measured	5,192.24	0.91	17.07	151.32	2,849.04
	Indicated	7,642.16	1.02	14.16	249.40	3,479.94
	M+I	12,834.40	0.97	15.34	400.72	6,328.98
	Inferred	2,261.42	0.62	3.32	44.99	241.64

	Measured	8.12	18.66	25.98	4.87	6.78
Calandrias Norte ¹ (Open Pit)	Indicated	70.67	14.52	22.79	32.98	51.79
	M+I	78.79	14.94	23.12	37.85	58.57
	Inferred	10.58	10.69	12.17	3.64	4.14
Zorro ¹ (Open pit)	Measured	69.09	2.15	8.74	4.78	19.42
	Indicated	136.50	1.32	7.38	5.80	32.39
	M+I	205.59	1.60	7.84	10.58	51.81
Depleted Satellites ^{2 3} (Open Pit)	Inferred	120.88	0.81	6.38	3.16	24.79
	Measured	29.91	2.04	0.00	1.96	0.00
	Indicated	14.99	1.80	0.00	0.87	0.00
Paloma Trend ¹ (Underground)	M+I	44.90	1.96	0.00	2.83	0.00
	Inferred	1,117.03	1.62	1.72	58.14	61.62
	Measured	128.86	4.73	18.98	19.58	78.62
Total	Indicated	145.96	4.00	15.97	18.78	74.94
	M+I	274.82	4.34	17.38	38.36	153.56
	Inferred	88.91	3.93	13.15	11.22	37.58
Stockpiles ⁴	Measured	5,428.22	1.05	16.93	182.52	2,953.87
	Indicated	8,010.27	1.20	14.13	307.82	3,639.05
	M+I	13,438.50	1.13	15.26	490.34	6,592.92
	Inferred	3,598.83	1.05	3.20	121.15	369.77
	Measured	0.00	0.00	0.00	0.00	0.00
	Indicated	0.00	0.00	0.00	0.00	0.00
	M+I	0.00	0.00	0.00	0.00	0.00
	Inferred	951.74	0.54	2.05	16.57	62.58

Notes:

¹ Included in economic evaluation

² Not included in economic evaluation

³ Satellites include Armadillo, Baritina, Baritina NE, Cerro Oro, Coyote, Choique, Mara, and Trofeu.

? Include the stocks from: Armadillo, Cerro Oro, Coyote, Choique, and Mara.

Notes to Mineral Resources Table

Mineral Resource estimates were prepared by the May 10, 2014 edition of the Canadian Institute of Mining, Metallurgy and Petroleum (or CIM) Definition Standards for Mineral Resources and Mineral Reserves ("2014 CIM Definition Standards") and disclosed in accordance with National Instrument 43-101 - Standards of Disclosure for Minerals Project ("NI 43-101").

The Qualified Persons for the estimation of Mineral Resources are Calandrias Sur, Calandrias Norte, Zorro, Paloma Trend and Stockpiles - Orlando Rojas, P.Geo, Member AIG, a GeoEstima SpA employee and Armadillo, Baritina, Baritina NE, Cerro Oro, Coyote, Choique, Mara and Trofeu - Sergio Gelcich, P.Geo, MAusIMM (CP) Geo, Vice President, Exploration, a Cerrado Gold employee.

Mineral Resources have an effective date as of: (a) April 1st, 2024, for Calandrias Sur, Calandrias Norte, Zorro, Paloma Trend, Armadillo, Baritina, Baritina NE, Cerro Oro, Coyote, Choique, and Trofeu; (b) August 31st, 2020, for Mara satellite.

Mineral Resources estimated using an average long-term metal price of US\$2,100.0/oz of Au and US\$25.0/oz of Ag. For Mara satellite, an average long-term metal price of US\$1,550.0/oz of Au is considered, assuming a mining cost of US\$2.65/t, plant cost of US\$32.0/t, and selling costs of US\$127.0/t.

Recoveries depend on the type of host mineralization and the extraction method being utilized for the minerals. For the carbon-in-leach (CIL) process, Au recovery is based on historical metallurgical recovery, which is 90% for Au and 61% for silver. For the Heap Leach process (HL), Au recovery is based on metallurgical test works and depends on the zone. Au recovery is 70% in the Oxide zone, 60% in the Transitional zone, and 40% in the Primary zone. The silver recovery is 30% in all zones.

Mineral Resources in open pit are reported within pit shell constrain and above a cut-off grade: Calandrias Sur has a variable cut-off - 0.27 g/t Au for the Oxidized zone, 0.31 g/t Au for the Transition zone and 0.46 g/t Au for Primary zone; Calandrias Norte - 1.46 g/t Au; Zorro, Armadillo, Baritina, Baritina NE, Cerro Oro, Coyote, Choique, Mara and Trofeu - 0.3 g/t Au. In Paloma Trend, Mineral Resources are reported within a cut-off grade of 1.95 g/t for underground mining shapes. A minimum mining width of 1.5m was used for resource shapes.

The estimated costs are: Calandrias Sur - plant cost of US\$11.08/t; Calandrias Norte - plant cost of US\$78.33/t; Zorro - plant cost varying from US\$ 13.35 for HL process and US\$ 68.20 for CIL process; Depleted Satellite - plant cost of US\$40.0/t. The selling costs of US\$242.90/t and mining costs of US\$3.50/t was assumed for all open pit costs of US\$3.50/t was assumed for all open pit were assumed for all open-pit mining. For underground shapes, the mining costs are US\$40.0/t, plant costs are US\$65.0/t and selling costs are US\$242.9/t. The exchange rate considered is ARG 917.25 / 1 USD.

Density was assigned and interpolated based on specific gravity values by domain.

Numbers may not be added due to rounding.

Technical Disclosure

The reader is advised that the PEA summarized in this press release is intended to provide only an initial, high-level review of the project potential and design options. The PEA mine plan and economic model include numerous assumptions and the use of Inferred Mineral Resources, and are preliminary in nature. Inferred Mineral Resources are considered to be too geologically speculative to have mining and to be used in an economic analysis except as allowed for by National Instrument 43-101 in PEA studies. There is no guarantee the project economics described herein will be achieved.

Independent Qualified Persons

Orlando Rojas, Javier Pizarro and Cristian Quezada are the Qualified Persons as defined in NI 43-101 responsible for the Technical Report and are all independent of the Company.

Review of Technical Information

The scientific and technical information in this press release has been reviewed and approved by Sergio Gelcich, P.Geo., Vice President, Exploration for [Cerrado Gold Inc.](#), who is a Qualified Person as defined in National Instrument 43-101.

About GeoEstima

GeoEstima, based in Santiago, Chile, has a consolidated experience spanning over a decade. Is a specialized consulting firm in economic geology, geometallurgy, and mining, dedicated to providing services to the global minerals industry. Our mission is to offer top-tier advisory and consultancy services to clients, delivering comprehensive solutions developed by a highly experienced team deeply committed to their work.

The GeoEstima team comprises seventeen distinguished professionals, 41% of whom are women. Of these, 75% are highly qualified geologists, and 60% hold at least a master's degree in their respective fields. Furthermore, over half of the team members boast at least ten years of hands-on experience. At GeoEstima, we blend the extensive experience of our seasoned professionals with the innovative mindset of emerging talents embarking on their careers. The result is a dynamic and collaborative team that fosters innovation and continuous growth.

GeoEstima brings expertise across various areas spanning the entire mining business chain, including exploration, mine planning, mineral resource/reserve assessments, geometallurgy, strategic business planning, mining operations, financial evaluations, and exploration. Specifically, we provide guidance and consultancy in economic geology and strategic mining planning for exploration, mining, and engineering companies, as well as for acquisitions, mining planning, and control.

About Cerrado

Cerrado Gold is a Toronto-based gold production, development, and exploration company focused on gold projects in South America. The Company is the 100% owner of both the producing Minera Don Nicolás and Las Calandrias mine in Santa Cruz province, Argentina, and the Monte Do Carmo development project, located in Tocantins State, Brazil. In Canada, Cerrado Gold is developing its 100% owned Mont Sorcier DRI Iron project located outside of Chibougamou, Quebec.

In Argentina, Cerrado is maximizing asset value at its Minera Don Nicolas operation through continued operational optimization and is growing production through its operations at the Las Calandrias Heap Leach project. An extensive campaign of exploration is ongoing to further unlock potential resources in our highly prospective land package in the heart of the Deseado Masiff.

In Canada, Cerrado holds a 100% interest in the Mont Sorcier DRI Iron Ore project, which has the potential to produce a premium iron ore concentrate over a long mine life at low operating costs and low capital intensity. Furthermore, its high grade and high purity product facilitates the migration of steel producers from blast furnaces to electric arc furnaces, contributing to the decarbonization of the industry and the achievement of SDG goals.

For more information about Cerrado, please visit our website at: www.cerradogold.com

Mark Brennan
CEO and Chairman

Mike McAllister
Vice President, Investor Relations
Tel: +1-647-805-5662
mmcallister@cerradogold.com

Cautionary Statement on Mineral Resource Estimates

All Mineral Resource estimates of the Company disclosed or referenced in this news release have been prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves dated May 10, 2014 ("2014 CIM Definition Standards"), whose definitions are incorporated by reference in National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"):

Mineral resource: is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable.

Inferred mineral resource: is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.

Indicated mineral resource: that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.

Measured mineral resource: that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. A measured mineral resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve.

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This press release contains statements that constitute "forward-looking information" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements contained in this press release include, without limitation, statements regarding the business and operations of Cerrado, economics of the Minera Don Nicolas mine located in Santa Cruz Province, Argentina (the "Project"), expected gold production (and the grade of such gold production) from the Project and projected operating, all-in sustaining and capital costs associated with the Company's planned operation at the Project; a future feasibility study providing higher accuracy and reduced risk with respect to the Company's plans and estimates with respect to the Project, including with respect to costing accuracy and scheduling improvements; the filing of a technical report reflecting the results of a feasibility study by the Company; the estimated mine life of the Project; estimates of mineral reserves and mineral resources, including the assumptions and estimates used to generate such mineral reserve and mineral resource estimates; the Project development and mining plans, planned mining and operational methods and specifications and expected ore, waste and overburden to be mined, strip ratios and gold and silver recovery; gold price, silver price and exchange rate assumptions; sensitivity analysis in respect of the Project; the potential for resource conversion, project extension and exploration to increase expected mine life and expand expected gold production; planned improvements to the environmental impact of the Project; the projected construction and operating timelines for the Project, including the Project being fully permitted for construction and to enter operation; the Company's closure and reclamation plans, including the costs associated therewith; plans regarding the drill, load and haul fleet; planned metallurgy and production processes;; completing supplemental geotechnical and hydrogeological site investigation work; progressing and achieving final permitting; commencement of drilling and exploration programs; the merits of the Project; the Company's plans and objectives with respect to the Project and the timing related thereto, including with respect to permitting, construction, improved economics and finance ability, and de-risking development risks; and other statements regarding future plans, expectations, guidance, projections, objectives, estimates and forecasts, the likelihood of the option being exercised on the Company's Brazilian asset and receipt of funds related thereto, as well as statements as to management's expectations with respect to such matters.

In making the forward- looking statements contained in this press release, Cerrado has made certain assumptions. Although Cerrado believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurance that the expectations of any forward-looking statements will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, Cerrado disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

SOURCE: Cerrado Gold Inc.

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