

Kutcho Copper Corp. Advances Feasibility Study based on a New Open Pit Mining Scenario

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Expands High Grade Mineral Resources Representing 1.1 Billion Pounds of Contained Copper Equivalent⁽¹⁾

VANCOUVER, Sept. 13, 2021 - [Kutcho Copper Corp.](#) (TSXV: KC, OTCQX: KCCFF) ("Kutcho Copper" or the "Company") is pleased to provide a progress report on the feasibility study for its high-grade copper-zinc Project ("Project") that is being led by CSA Global Consultants Canada Ltd. ("CSA Global", an ERM Group Company).

Following a series of trade-off studies, including advanced engineering and optimization work and initial consultations with our key Project partners and stakeholders, Kutcho Copper has elected to make several enhancements to the design and engineering of the Project that the Company believes will unlock significant accretive economic value. Highlights of project optimizations to be incorporated in the upcoming feasibility study (the "Feasibility Study" or "FS") include:

- Open pit mining the majority of the Main deposit, allowing the Company to capitalize on the high-grade, near-surface mineralization, resulting in lower operating costs than underground mining. The remainder of the Main deposit and all of the Esso deposit will continue to be evaluated assuming underground extraction by longitudinal longhole open stoping;
- Re-estimated mineral resource, based on the open pit mining scenario for the Main deposit has resulted in a 21% increase in tonnes in the Measured and Indicated categories compared to the previous estimate of mineral resources at the Main deposit, providing Kutcho Copper shareholders with enhanced leverage to copper. This increase in tonnage is mainly due to a lower cut-off grade resulting from the change from underground to primarily open pit extraction methods in the Main deposit area.
- The updated mineral resource in the Measured and Indicated category totals 22.8 million tonnes averaging 1.52% copper and 2.18% zinc (2.26% CuEq) representing over 1.1 billion pounds of copper equivalent contained metal ("CuEq")¹, comprising 765 million pounds of contained copper, 1.1 billion pounds of contained zinc, 288 koz of contained gold, and 20.6 Moz of contained silver.
- Improved project scale, with ore feed to the crusher increasing from 2,500 to 4,500 tonnes per day ("tpd") as a result of the switch to open pit mining of the Main deposit as compared to the 2017 pre-feasibility study (the "2017 PFS")²;
- Introduction of ore sorting, based on positive bulk sample test results and project optimization studies, which should result in higher grade feed and reduced flotation plant size, thereby reducing capital and operating costs;
- Improved metallurgical recoveries compared to prior studies, based on completed test work; and
- Enhancements to the project to reduce the environmental effects, including:
 - A compact project footprint that avoids sensitive fish habitat;
 - An open pit design and scheduling focussed on minimizing the potential for acid rock drainage and metal leaching;
 - Backfilled open pit and underground workings to reduce the surface footprint; and
 - A tailings management facility ("TMF") accommodating the reduced tailings from the flotation plant as a result of the introduction of ore sorting.

1. Refer to Table 1: Estimate of Mineral Resources for the Kutcho Project note 2

2. "Prefeasibility Technical Report on the Kutcho Project, British Columbia" effective date June 15, 2017, revised report date August 2, 2018, filed on the Company's SEDAR profile on August 10, 2018.

These initiatives are anticipated to result in a mining operation with lower operating costs that the Company believes has the potential to benefit the project economics. Additional details are provided below.

"Given the significant scope of the design improvements between the 2017 PFS and the FS, we now anticipate the results of the Feasibility Study to be announced by the end of October 2021. We believe this short delay is well worth the benefit in realising the full and enhanced economic potential of the Project for all our shareholders and partners," said Vince Sorace, President & CEO of [Kutcho Copper Corp.](#) "Negotiations for our recently announced Economic Participation Agreements with the Kaska Nation and the Tahltan Nation (see press release dated July 13, 2021) will be based on the optimized Project design. Together, all these factors will allow us to continue advancing the Project towards permitting and a production decision."

Significant Feasibility Elements Substantially Completed:

- Geotechnical drilling program completed to support the Main deposit open pit design and the revised tailings management facility (TMF) location.
- The Main deposit open pit mine design parameters including bench sizing, pit wall angles and mining sequence and scheduling.
- The portion of the Main deposit planned for underground mining incorporate the revised geological model and mineral resource estimate. Access and ventilation development have been optimized and integrated with the Esso underground mine phasing and design. The mining method will be low cost longitudinal long hole open stoping ("LLHOS"). It is anticipated that this phase of the mining operation will be complete early in the mine life and will not be affected by the Main open pit mining operation.
- The Esso underground mine design has been optimized and finalized based on the revised geological model and mineral resource estimate. The underground mine design has been through several iterations as a function of stope geometry and geotechnical parameters. As a result, production throughput has been adequately and realistically defined by the constraints imposed by stope sequencing and ore release based on an efficient and cost-effective LLHOS mining methodology utilising cemented rock backfill.
- Mine plan optimization utilizes block selection on a net smelter return ("NSR") basis that recognizes the revised mining methodologies, metallurgical recoveries and estimated operating costs. Some of the improvements in the copper, zinc, silver and gold prices since the publication of the 2017 PFS have also been applied after considering the consumption and price outlook for these metals.
- Extensive confirmatory metallurgical test work and the derivation of a revised processing and reagent scheme, as reported by the Company throughout 2020, have been confirmed and are expected to provide enhanced metal recoveries compared with the 2017 PFS.
- Ore sorting test work and analysis on Main and Esso deposits, including a 7 tonne bulk composite sample derived from drill core, was undertaken by ABH Engineering and TOMRA Sorting Solutions. This work demonstrated that ore sorting using an XRT (x-ray transmission) sensor would be cost-effective and is incorporated into the FS processing design. Ore sorting would reduce the crushed ore reporting to the grinding and flotation circuits with a commensurate increase in head grade and potential for increased metallurgical recoveries. The ore sorter can reduce process plant operating and capital costs (due to smaller grinding and flotation circuits) and significantly reduce the volume of tailings produced and size of the TMF required.
- The surface infrastructure for the Project has been designed to provide a compact footprint and eliminate encroachment on creeks with sensitive fish habitats to facilitate an environmentally sound project and improve permitting timelines.
- The TMF, which is in the final stages of design, will be a lined facility built using a downstream construction methodology for the dam wall. The rock for the wall will be non-potentially acid generating ("NPAG") mine rock sourced from the Main deposit open pit providing stability and safety throughout the facility's life and minimize potential long-term post-closure impacts.
- On-site power generation using LNG generator sets as set out in the 2017 PFS remains the most economical power supply option and generates significantly less greenhouse gasses as compared to on-site diesel power generation.

- The access road (from Highway 37, directly south of Dease Lake) alignment and construction methodology are similar to the 2017 PFS with focused effort on optimizing bridge construction and construction schedule to facilitate early and timely equipment delivery for project construction.
- Environmental benefits realized to date in the upcoming feasibility study include: a TMF located outside of any sensitive fish-bearing habitats and a more efficient construction location than the 2017 PFS; a reduction in TMF size for the expanded mineral resource base due to the introduction of ore sorting that reduces the quantity of material reporting to the flotation circuit; and the complete backfilling of all remaining waste material including potentially acid generating ("PAG") and NPAG into the open pit at the end of mine life, followed by capping and revegetation.

Updated Estimate of Mineral Resources to Support a Main Deposit Open Pit / Underground and Esso Deposit Underground Operation

- Mineral Resources at the Main, Sumac and Esso deposits have been updated for metal prices, metallurgical recoveries, open pit and underground mining costs, processing costs, G&A costs, and open pit slope parameters
- Combined Measured and Indicated Mineral Resources at Main and Esso of 22.8 million tonnes ("Mt") grading 2.26% copper equivalent ("CuEq")¹ and Inferred Mineral Resources of 12.9Mt grading 1.62% CuEq resulting in a 21% increase in Measured and Indicated tonnes compared to the 2020 mineral resource estimate (see Company's press release dated February 11, 2021). As stated previously, this increase in tonnage is mainly due to a lower cut-off grade resulting from the change from underground to primarily open pit extraction methods at the Main deposit area.

Table 1: Estimate of Mineral Resources for the Kutcho Project

Class	Tonnes (000)	CuEq (%)	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	Pb (%)
Main Deposit (pit constrained, 0.45% CuEqR cut-off)							
Measured	7,213	2.31	1.64	2.35	0.36	24.7	0.04
Indicated	12,201	1.79	1.27	1.64	0.32	22.8	0.05
Measured + Indicated	19,414	1.98	1.41	1.90	0.34	23.5	0.05
Inferred	459	1.35	0.78	1.24	0.60	16.8	0.05
Main Deposit (below open pit, 1.05% CuEq cut-off)							
Indicated	793	1.93	1.35	1.54	0.45	30.3	0.05
Inferred	1,717	1.87	1.19	1.90	0.49	26.1	0.06
Esso Deposit (0.95% CuEq cut-off)							
Indicated	2,595	4.40	2.40	4.49	0.78	61.5	0.07
Inferred	1,624	2.15	1.32	1.59	0.42	35.8	0.01
Sumac Deposit (1.05% CuEq cut-off)							
Inferred	9,086	1.49	1.06	1.53	0.16	16.2	0.03
Combined							
Measured	7,213	2.31	1.64	2.35	0.36	24.7	0.04
Indicated	15,590	2.23	1.46	2.11	0.41	29.6	0.05
Measured + Indicated	22,802	2.26	1.52	2.18	0.39	28.1	0.05
Inferred	12,886	1.62	1.10	1.58	0.25	20.0	0.03

Notes:

1. The mineral resource estimates in the table above form coherent bodies of mineralization that are considered amenable to a combination of open pit and underground extraction methods based on the following parameters: Metal Prices: Copper US\$3.50/lb, Zinc US\$1.15/lb, Gold US\$1600/oz, Silver US\$20.00/oz. Projected operating costs: Mining (underground) US\$43.00/t, Mining (open pit) US\$2.65/t, Processing US\$20.50/t, G&A US\$6.00/t. Process recoveries Main and Sumac: Copper 87.6%, Zinc 64.3%, Gold 58.0%, Silver 57.9%. Process recoveries Esso: Copper 94.5%, Zinc 89.3%, Gold 66.0%, Silver 71.2%. Pit slope angle 48.9 degrees.
2. Copper-equivalent grades at Main and Sumac are calculated based on the formula: $CuEq = (Cu\% \times$

$0.876) + (\text{Zn}\% \times 0.241) + (\text{Au g/t} \times 0.441) + (\text{Ag g/t} \times 0.006)$. Copper-equivalent grades at Esso are calculated based on the formula: $\text{CuEq} = (\text{Cu}\% \times 0.945) + (\text{Zn}\% \times 0.310) + (\text{Au g/t} \times 0.466) + (\text{Ag g/t} \times 0.006)$. The base case cut-off grade for mineral resources considered amenable to open pit extraction methods at the Main deposit is 0.45% CuEq while the cut-off grade for mineral resources considered amenable to underground extraction methods at Main and Sumac deposits is 1.05% CuEq and is 0.95% Cu at the Esso deposit.

3. Mineral resources are not mineral reserves and do not have demonstrated economic viability. These mineral resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. It is reasonably expected that the majority of inferred mineral resources could be upgraded to measured or indicated mineral resource with continued exploration.

4. All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely

5. The estimate of mineral resources was calculated based on the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions.

6. The effective date of the estimate of mineral resources is July 30, 2021. Kutcho Copper is not aware of any legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources.

Mineral Resource Estimation Methodology

The mineral resources are estimated in conformity with generally accepted CIM Estimation of Mineral Resources and Mineral Reserves Best Practices Guidelines (November 29, 2019) and are reported in accordance with Canadian National Instrument 43-101 (NI 43-101). Drill core samples used to estimate mineral resources were collected in accordance with industry standards and were submitted to the ALS sample preparation laboratory in Whitehorse, Yukon Territory, Canada, and then transferred to ALS' laboratory in Vancouver, British Columbia, Canada for fire assay and ICP analysis. The precision and accuracy of the assays were monitored through the systematic inclusion of standards, blanks and check assays. Mineral resource estimates are generated using a total of 362 drill holes at the Main deposit, 118 drill holes at the Esso deposit, and 29 drill holes in the vicinity of the Sumac deposit. Drill holes are collared from surface and extend to depths of 700m below surface in some areas. Mineral resource estimates are derived from three-dimensional block models with nominal block sizes measuring 5 x 5 x 5m for the Main deposit and 5 x 2.5 x 5m (LxWxH) for the Esso and Sumac deposits. Resource estimates are generated using drill hole sample assay results and the interpretation of geological models which relate to the spatial distribution of copper, zinc, gold and silver in the deposits. Interpolation characteristics are defined based on the geology, drill hole spacing, and geostatistical analysis of the data. The effects of potentially anomalous high-grade sample data, composited to 1 metre intervals, are controlled using both traditional top-cutting as well as limiting the distance of influence during block grade interpolation. Block grades are estimated using ordinary kriging and have been validated using a combination of visual and statistical methods to ensure they are appropriate representations of the underlying sample data. Resources in the Measured category are delineated with drill holes on a regular 25m pattern. Resources in the Indicated category are delineated with holes on a nominal 50m pattern and resources in the Inferred category occur within a maximum distance of 100m from a drill hole. The deposits form consistent zones of mineralization, above the base case cut-off grades, that are considered to exhibit reasonable prospects for eventual economic extraction using a combination of open pit and underground extraction methods.

Qualified Persons

Robert Sim, P.Geo., a Qualified Person as defined by NI 43-101, is responsible for the estimate of mineral resources presented in this news release and has reviewed, verified and approved the contents of this news release as they relate to the mineral resource estimate, including the sampling, analytical, and test data underlying the mineral resource estimate. Mr. Sim is a consultant to the Company, independent from Kutcho Copper and confirms there were no limitations from the Company in verifying the drilling and sample data with site visit observations and monitoring of the QA/QC program. The technical or scientific information in this press release has been reviewed and approved by Mr. Garth Kirkham, P.Geo., Technical Advisor for [Kutcho Copper Corp.](#), who serves as a Qualified Person under the definition of NI 43-101.

About Kutcho Copper Corp.

[Kutcho Copper Corp.](#) is a Canadian resource development company focused on expanding and developing

the Kutcho high grade copper-zinc project in northern British Columbia. Committed to social responsibility and the highest environmental standards, the Company intends to progress the Kutcho Project through feasibility and permitting to a positive construction decision.

Vince Sorace
President & CEO, [Kutcho Copper Corp.](http://www.kutcho.ca)

For further information regarding [Kutcho Copper Corp.](http://www.kutcho.ca), please email info@kutcho.ca or visit our website at www.kutcho.ca.

Cautionary Note Regarding Forward-Looking Statements

Neither the 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.

This news release contains certain statements that may be deemed "forward-looking statements" with respect to the Company within the meaning of applicable securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "indicates", "opportunity", "possible" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although Kutcho Copper believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, are subject to risks and uncertainties, and actual results or realities may differ materially from those in the forward-looking statements. Such material risks and uncertainties include, but are not limited to, the Company's ability to raise sufficient capital to fund its obligations under its property agreements going forward, to maintain its mineral tenures and concessions in good standing, to explore and develop the Kutcho project or its other projects, to repay its debt and for general working capital purposes; changes in economic conditions or financial markets; the inherent hazards associated with mineral exploration and mining operations, future prices of copper and other metals, changes in general economic conditions, accuracy of mineral resource and reserve estimates, the potential for new discoveries, the potential to convert inferred resources to indicated or measured resources, the potential to optimize the mine plan, the ability of the Company to obtain the necessary permits and consents required to explore, drill and develop the Kutcho project and if obtained, to obtain such permits and consents in a timely fashion relative to the Company's plans and business objectives for the projects; the general ability of the Company to monetize its mineral resources; and changes in environmental and other laws or regulations that could have an impact on the Company's operations, compliance with environmental laws and regulations, aboriginal title claims and rights to consultation and accommodation, dependence on key management personnel and general competition in the mining industry. Forward-looking statements are based on the reasonable beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by law, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

Note to US Investors

This news release has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ in certain material respects from the disclosure requirements of United States securities laws. The terms "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are Canadian mining terms as defined in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The definitions of these terms differ from the definitions of such terms for purposes of the disclosure requirements of the SEC. Accordingly, information contained in this news release that describes the Company's mineral deposits or mineral resources may not be comparable to similar information made public by issuers subject to the SEC's reporting and disclosure requirements applicable to domestic United States issuers.

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/01d06203-cd07-4cd5-b110-6361f0b1620e>

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