

Expectations on Stimulus Fuel Hope for Copper Demand

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VANCOUVER, British Columbia, Jan. 26, 2015 (GLOBE NEWSWIRE) -- Fitch Ratings has predicted that sustained Chinese demand will protect copper prices from a sharp sustained fall. While Chinese GDP growth is slowing, armies of cranes still clutter the skyline, and monthly copper imports are holding steady. "Copper is unlikely to see the same extended decline as oil and iron ore," the Fitch report stated.

Copper North (TSX-V:COL) has unveiled a new processing plan for the recovery of copper, gold and silver at Carmacks project in the Yukon.

"Since taking over this project in March 2014, I have been working on three principal objectives to change the economics of the project from average to spectacular," stated President, CEO and Director Dr. Harlan Meade in an exclusive interview with Financial Press.

The first objective was to establish gold and silver credits. COL now has a Measured & Indicated mineral resource containing 133,700 ounces payable gold and 1,279,000 ounces payable silver.

"At today's spot prices that is close to \$200 million dollars of precious metals that were unaccounted for in previous economic modelling," stated Meade.

The second objective was to reduce production cash costs. The gold and silver recovery creates a projected 28% increase in life-of-mine net revenue – reducing cash costs from US\$1.60 per pound of copper to US\$1.07 per pound.

"On a graph with our global peers, that moves us from the middle of the cost curve, to the very bottom," stated Meade "This significantly de-risks the mine because we will still be profitable at much lower copper prices."

The third objective was to improve the short and long term financial health of the Copper North.

"When I took over ten months ago, Copper North was \$1.5 million in arrears," stated Meade "Shortly it will be debt free and have enough cash to cover expenses and fund on-going feasibility work. We are exploring gold and silver metal streaming transactions to fund project development. This would enable us to raise a big chunk of the capex of the mine, without share dilution or hedging of the copper."

A pilot test program confirms that the oxide mineral resources at Carmacks can be optimized using an "agitated tank leach" for both copper and the gold and silver.

Meade cites three reasons why the agitated leach is an important milestone. "One, we do not need to grapple with the environmental stigma around leach pads. Two, it eliminates logistical challenges that come from maintaining a leach pad during extreme winter conditions. Three, it removes a number of handling steps and provides more operational control to optimize recovery."

The agitated tank leach is a contained system with a small footprint. The July 2014 Preliminary Economic Assessment projects a capital cost reduction for the mine of about 30%. The new target is about \$150 million.

"Leaching of heaps in winter was a concern - tank leaching eliminates the concern," stated Meade, "With the

new system we are getting leach times of less than 24 hours. With agitated tank leach and elimination of heap leach pads we reduce the Capex by about \$75 million and get rid of a lot of tricky and costly procedures to operate it. It is also much cleaner environmentally and gives us additional process control."

The New Process Plan consists of three-stage crushing, followed by rod mill grinding. The ores are then placed in an agitated tank with weak sulphuric acid. The leachate is pumped to electrowinning plant for recovery of cathode copper. The copper cathode can be sold directly to end-users for fabrication.

Residues from the cyanide circuit undergo destruction prior to deposition in a dry stacked waste facility. Dry stacked tails are a preferred means of storing waste as it eliminates the need for a tailings pond.

Copper North has engaged the Beijing General Research Institute Of Mining and Metallurgy, and they have begun design work for the agitated leach process as part of a Prefeasibility Study to be completed by the end of Q2, 2015.

Improvement of recoveries and advance revenues from precious metals and the opportunity to enter into metal streaming contracts, have radically improved the economics of the Carmacks project.

The proposed mining area consists of multiple zones spanning approximately 600 metres of the main structure. The mineral resources include 11.98 million tonnes of Measured and Indicated resources grading 1.07% copper, 0.456 g/t gold and 4.58 g/t silver.

"The 2014 exploration program confirmed the opportunity for significant expansion of both oxide and sulphide mineral resources. A larger program is being planned for 2015 with the goal to expand the oxide mineral resources in pursuit of extending the potential mine life."

The Carmacks project is only 30 km off the Alaska Highway. There are power lines 9 kilometers from the property providing electricity at about 9.5 cents per kilowatt/hour – 30% of the cost of diesel generation.

Reduced transportation costs are another advantage for Copper North. The Carmacks project will generate 99.9% pure copper on site. It will not have to truck concentrate to a smelter. The company will be loading 400 pound copper plates onto the back of a flatbed truck.

Production is forecast is 30 million pounds of copper a year, 17,000 ounces of gold, and 165, 000 ounces of silver. The combined revenue from the metals at current spot prices is about \$105 million per year.

Copper North is currently trading at \$0.06 with a market cap of \$6.9 million.

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