

Independent Preliminary Economic Assessment for Atlas Salt's Great Atlantic Project Supports State-of-the-Art "Salt Factory" Vision

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ST. JOHN'S, Jan. 30, 2023 - Atlas Salt (the "Company" or "Atlas" - TSXV: SALT; OTCQB: REMRF) is pleased to announce the results of an independent Preliminary Economic Assessment (PEA) and updated Mineral Resource estimate prepared by SLR Consulting (Canada) Ltd. (SLR) on its 100%-owned Great Atlantic Salt Project located on the west coast of Newfoundland. Great Atlantic is the premier undeveloped salt deposit situated in the heart of a large regional U.S./Canadian road salt market facing a significant domestic production shortfall.

Highlights:

- Pre-tax internal rate of return (IRR) of 22%; NPV(8) of \$909 million; payback in 4.2 years after commencement of operations;
- Base case of 2.5 million tonnes per year (Mtpa) production for a 30-year mine life with a mine and processing design to accommodate expansion up to 4 million tonnes per year and capable of extending the mine life beyond the 30-year standard production model;
- Low-cost production - utilizing a Q4 2022 cost basis of \$23.81 per tonne FOB;
- Expansion of Mineral Resource estimate including first-time declaration of Indicated Mineral resources (187 million tonnes @ 96.4% salt) with Inferred Mineral resources of 999 million tonnes @ 95.6% salt;
- State-of-the-art, environmentally friendly design featuring the first major salt mine in North America accessible through declines, providing all the attendant benefits of scalability and economic efficiencies;
- Recently completed drill hole CC-9, collared 250 meters east of hole CC-4 (refer to Jan. 11, 2023 news release), was not incorporated into the PEA. Results from this hole and other data from the 2022 drill campaign will be included in the upcoming Feasibility Study currently being prepared by SLR;
- Further to its news release of May 19, 2022, Atlas has entered into discussions regarding Great Atlantic with interested parties including potential suitors. With an independent PEA now in hand, management expects these discussions to accelerate with the focus on possible outcomes aimed at maximizing shareholder value.

Mr. Rowland Howe, Atlas President, commented: "In my 30+ years in this industry I have not come across a salt project as unique as Great Atlantic given its combination of size, shallowness, and logistical advantages. This robust PEA confirms our vision for the project."

Mr. Howe added, "Even assuming a conservative flat production rate at 2.5 million tonnes over only 30 years, the cash flow model provides a base case evaluation that is quite compelling. Significant additional value can be attributed to the project given that mine infrastructure is designed for up to 4 million tonnes production with ample resources to extend production beyond 30 years. Future additional infrastructure could push annual production even higher. Long life cash flow comes at a premium."

SLR Technical Summary Overview

The PEA considers developing Great Atlantic into an underground operating mine capable of producing 2.5 Mtpa of rock salt with key mine access and plant infrastructure designed for 4.0 Mtpa. Construction of the mine would occur over three years, with access to the deposit via twin declines. Extraction of rock salt would occur using the room and pillar method, with continuous mining equipment. Salt would be processed to a specific size and grade using a crushing and screening plant located within the mine, and then brought to surface via conveyor belts. An overland conveyor would transport the rock salt from the mine area to the existing Turf Point port for loading onto ships destined for Canadian and American markets, as well as serve the local Newfoundland market. The PEA is a step towards a Feasibility Study which is currently underway by SLR.

Mineral Resources

Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) were used for Mineral Resource classification. The updated Mineral Resource currently includes 187.2 Mt of Indicated material plus 999.4 Mt of Inferred material. Table 1 provides a summary of the Great Atlantic Mineral Resource estimate prepared by SLR, with an effective date of January 6, 2023. The Mineral Resource estimate does not incorporate information from hole CC-9, with salt analysis pending, announced in an Atlas Salt news release dated January 11, 2023.

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Bulk density is 2.16 t/m³.
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
4. Reasonable prospects for eventual economic extraction were demonstrated by reporting within mineable shapes at a cut-off grade of 90% NaCl resulting in composite resource grades exceeding 95%.

Mining

Mining designs, development plans, and schedules have been prepared for a fully electric, mechanized room and pillar mining operation. Salt will be mined using continuous miners and hauled by truck to a lump breaker and conveyor system to move material to a crushing and screening plant located underground. The PEA is based upon the initial production of 2.5 Mtpa of rock salt product with mine infrastructure capacity to expand to 4.0 Mtpa.

The mining designs contained in the PEA are based, in part, on Inferred Mineral Resources. Approximately 39% of the mine plan is based on Indicated Mineral Resources, with the remainder being Inferred Mineral Resources. Inferred Mineral Resources are considered too geologically speculative to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the production forecasts on which the PEA is based will be realized.

The mine will be accessed through two declines driven to 250 m below surface where the plant and related infrastructure will be located. One decline will provide fresh air into the mine and be used for vehicle access, while the other will exhaust air and contain an overhead conveyor to transport finished rock salt product to surface. Twin declines will be extended from the 250 Plant Level to the first production level at 300 m below surface, continuing to the lower levels as required. The primary mine related infrastructure including maintenance shops, vehicle charging bays, and gear storages will be located on the 300 Level.

Internal declines will be developed as necessary to sustain the initial production rate of 2.5 Mtpa over an initial 30-year mine life. A total of six production levels supported with six internal declines and level-specific infrastructure will be constructed to support mining activities on each level. Room and pillar production mining will be executed in four cuts of five metres height, resulting in a maximum room height of 20 m. Rooms will be 16 m wide, separated by 25 m square pillars. The square pillars will be in a regular pattern and overlie one another from level to level. Each mining level will be separated by 20 m thick horizontal sill pillars.

All major equipment used in the mine will be battery electric or plugged electric, with minimal diesel-powered equipment in the mine.

Processing

Processing of the salt will take place at a crushing and screening plant located within the mine. The rock salt produced will be suitable for use as a deicing product, conforming to specification ASTM-D632, with a minimum NaCl grade of 95%. There are no chemical processes or reagents involved in the production of

rock salt, other than an anti-caking agent that is added to the product immediately before shipping. After rock salt has been processed, it will be transported to the surface via conveyor belts. On surface, a series of conveyor belts will transport the rock salt from the mine site to the port.

Infrastructure

The Great Atlantic operation will include both on and off-site infrastructure. On-site infrastructure has been configured to minimize the mine site surface footprint. Components of the on-site infrastructure include:

- Temporary salt storage area
- Decline access area
- Surface buildings such as administration, warehouse, fuel bay, dry facility, maintenance shop
- Salt storage building
- Material handling systems
- Electrical substation and distribution
- Ventilation system for the mine
- Surface water management system
- Gatehouse and fencing

Notably, a tailings management facility is not required for the Project, as all material that is processed will be sold as rock salt.

Off-site infrastructure has been designed to take advantage of some of the existing facilities available in the immediate area, including the port, historical haul road, and a NL Power electrical substation. Planned off-site infrastructure includes the following:

- Overland conveyor connecting the mine to the port, including:
 - Overall length of approximately two kilometres, with both bridge and tunnel sections accommodating access for existing town infrastructure
 - All sections of the conveyor belt will be covered to minimize noise and dust
- Retrofitting of the existing storage building located at the port to handle rock salt
- Addition of a new building and material handling system at the port to expand the capacity of covered material storage
- Refurbishment of the existing ship loader facility
- Transmission line connection to NL Power's substation located in the town of St. George's

Environment and Community Engagement

Environmental base line studies of the project area have been completed by GEMTEC Consulting Engineers and Scientists Limited (GEMTEC) throughout 2022 in preparation for the registration of the project under the environmental review process. Consultations with local community and affected groups are ongoing. Atlas has retained the services of an experienced communications consultant to assist and facilitate informed community input into the project development.

Marketing

As part of the PEA and ongoing Feasibility Study, Atlas and SLR have commissioned independent assessments of marketing and logistics. These independent assessments have formed the basis of the assumptions used in the PEA.

Rock salt produced from Great Atlantic will initially target the regional deicing markets in eastern Canada and the U.S. East Coast. It is estimated that this market requires between 11.0 Mtpa and 16.0 Mtpa of rock salt in any given year, sourced from domestic and international suppliers, with the demand highly correlated to weather conditions. The primary customers of rock salt are government entities which use a tender system for the annual supply of deicing salt. Secondary customers include commercial deicing operators.

Government entities include municipalities, Departments of Transportation (DoT), counties, and other provincial or state entities, while commercial operators may vary from distribution companies for retail

purchase, or contractors who purchase rock salt for de-icing commercial and private properties.

Cash Flow Model Basis

SLR has prepared a cash flow model that is based on a 30-year mine plan with a production rate of 2.5 Mtpa. It is noted that the Mineral Resource base will allow for a much longer mine life. The mine schedule includes a three-year ramp up period, with year one production of 1.5 Mtpa, year two production of 2.0 Mtpa, and year three reaching steady-state production of 2.5 Mtpa.

The cash flow model comprises estimates of capital costs, operating costs, an assessment of revenue, and estimate of project economic metrics such as net present value, internal rate of return, and payback period. Economic metrics were assessed both on a pre and post-tax basis.

SLR has assumed that construction of the mine would commence in 2025, with salt production commencing in 2028. To bring salt prices to a 2028 base date, SLR has applied a 4.0% annual increase to the price of salt, which is consistent with other publicly available technical reports on existing salt operations in North America. Beyond 2028, SLR has applied a 2.0% annual increase to the price of salt. In terms of costs, SLR has applied 2.0% annual inflation to capital and operating costs.

Capital Costs

Capital costs for the Project have been estimated based on first principles build ups, factored estimates, and quotes for major equipment and supplies. The capital cost estimate conforms to an AACE Class 5 estimate, as of the fourth quarter of 2022. Capital costs are divided between pre-production capital (representing years leading up to salt production) and sustaining capital. Costs are divided into areas including mining, processing, infrastructure, off-site infrastructure, indirect costs, owner's costs, and contingency. The capital cost estimate is presented in Table 2.

Notes:

1. Capital costs include escalation.

Operating Costs

Operating costs for the Project have been estimated based on first principles build ups, estimations of labour quantities and remuneration, productivity, and consumption assumptions. The operating cost estimate is as of the fourth quarter of 2022. Operating costs are divided into disciplines including mining, processing, general and administration, and port operations. SLR has assumed that the port would be owned and operated by a third-party and accessible based on commercial terms. The operating cost estimate is presented in Table 3.

Notes:

1. The columns *LOM - Initial 30 Year Plan*, *Steady State Annual Average*, and *LOM Unit Costs* include escalation.

Pricing and Revenue Assumptions

SLR has assumed a weighted average price of rock salt based on a market analysis review completed by a third-party, as well as taking into consideration the shipping and logistics costs of getting the salt to

destination ports. SLR's revenue analysis is based on pricing FOB Turf Point and is based on the fourth quarter of 2022. The Project is subject to a royalty payable to [Vulcan Minerals Inc.](#), in the amount of 3% of net production revenue. A summary of revenue assumptions is presented in Table 4.

Economic Outcomes

The resulting economics of the Project are presented in Table 5.

Next Steps

Upon completion of the PEA, Atlas intends to release a supporting NI 43-101 compliant report posted to SEDAR within 45 days of this news release. Other ongoing work towards Feasibility Study completion includes the following:

- Geotechnical field program to support key assumptions related to mine access and design
- Updated geological modeling based on the most recent drilling (Drill Hole CC-9), which is not incorporated into the current Mineral Resource estimate
- Continued progress in the areas of environmental baseline monitoring
- Continued stakeholder engagement
- Ongoing work with potential vendors and suppliers
- Targeting completion of the Feasibility Study in the first half of 2023

Qualified Persons

This news release describes an updated Mineral Resource estimate, and a PEA plan and cash flow based upon geological, engineering, technical and cost inputs developed by SLR Consulting (Canada) Ltd. A National Instrument 43-101 Technical Report (NI 43-101) will be filed on SEDAR within 45 days. The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in NI 43-101 and reviewed and approved by EurGeol Dr. John G. Kelly, P.Geo., FIMMM, MIQ, David M. Robson, P.Eng., MBA, Lance Engelbrecht, P.Eng., Derek J. Riehm, M.A.Sc., P.Eng., and Graham G. Clow, P.Eng. each of whom is a "qualified person" under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101").

The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed on behalf of the company by Patrick J. Laracy, P.Geo., CEO of Atlas Salt and a qualified person.

Project Map

About Atlas Salt

Bringing the Power of SALT to Investors: Atlas Salt owns 100% of the Great Atlantic salt deposit strategically located in western Newfoundland in the middle of the robust eastern North America road salt market. The project features a large homogeneous high-grade resource located immediately next to a deep-water port. Atlas is also the largest shareholder in Triple Point Resources as it pursues development of the Fischell's Brook Salt Dome approximately 15 kilometers south of Great Atlantic in the heart of an emerging Clean Energy Hub.

We seek Safe Harbor.

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Forward-Looking Statements

This press release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein, without limitation, statements relating to the future operating or financial performance of the Company, are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. Forward-looking statements in this press release relate to, among other things: completion, delivery and timing of the referenced assessments and analysis and assumptions related thereto including access to existing infrastructure. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, technical, economic, and competitive uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: the timing, completion and delivery of the referenced assessments and analysis. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Except as required by law, the Company does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

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