

P2 Gold Announces Positive Gabbs Updated Preliminary Economic Assessment with Life of Mine Production of 1.86 Million Gold Equivalent Ounces

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VANCOUVER, Sept. 11, 2023 - [P2 Gold Inc.](#) ("P2" or the "Company") (TSXV: PGGL) (OTCQB: PGLDF) reports results of its positive Updated Preliminary Economic Assessment ("Updated PEA") on its wholly-owned gold-copper Gabbs Project located in the Walker-Lane Trend in Nevada. The Updated PEA was prepared by Kappes, Cassiday & Associates ("KCA") of Reno, Nevada, with Mineral Resource and mining contributions from P&E Mining Consultants Inc. ("P&E") in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101"). An NI 43-101 Technical Report will be prepared and filed on www.p2gold.com and the Company's profile on www.SEDAR.com within 45 days of the date of this news release.

PEA Highlights

- After-tax net present value (5% discount rate) of US\$292.2 million and internal rate of return of 17.0% at US\$1913/oz gold, US\$23.01/oz silver and US\$3.73/lb copper ("Spot Metal Prices") (See spot to base case price comparison in Table 1)
- Total projected life-of-mine ("LOM") revenue of US\$3.43 billion at Spot Metal Prices over 13.4-year mine life
- LOM gold equivalent production of 1.86 million ounces (79.1 million tonnes @ 0.54 g/t gold, 1.28 g/t silver and 0.27 g/t copper) at Spot Metal Prices, with LOM production of 1.206 million ounces of gold, 1.742 million ounces of silver and 327 million pounds of copper
- Average annual gold equivalent production of 139,000 ounces at Spot Metal Prices
- Estimated pre-production capital cost, including contingencies, of US\$277.7 million with payback of 3.0 years at Spot Metal Prices

"We have updated the Gabbs June 2023 PEA to include the development of the sulphide mineralization in addition to our previous estimate of oxide mineralization and an increase in the mining rate to six million tonnes per year to provide for the development of a mid-life mine," commented Joe Ovsenek, President and CEO of P2. "Life-of-Mine production at Gabbs is now expected to be close to 1.86 million ounces of gold equivalent with average annual production expected to be close to 150,000 ounces of gold equivalent. The Updated PEA contemplates heap leach processing as the first phase of operations for the initial five years to reduce upfront capital requirements and project risks. Heap leach operations will pay for preproduction capital and a significant portion of mill capital over the life of the project to the commencement of mill processing in year six. The Gabbs Feasibility Study, expected to be initiated soon, will focus on further optimizing the mine plan and capex, evaluating contract mining and completing additional metallurgy, which we believe will significantly increase the rate of return. What's more, Gabbs has considerable Mineral Resource expansion potential for both gold and copper oxides and sulphides, which is why we expect Gabbs to be a long-life gold and copper mine."

The Updated PEA is preliminary in nature, includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the Updated PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company has not defined any Mineral Reserves on the Gabbs Project.

Economic Sensitivities

Base Case metals prices were established by the Company reflecting the Company's expectations for market conditions at the time of construction financing for the Gabbs Project and to allow for a direct comparison with the Gabbs June 2023 Preliminary Economic Assessment (see news release dated June 29, 2023).

Table 1: Gabbs Project September 2023 Updated PEA Economics

	Low Case	Base Case	High Case	Spot Case ⁽¹⁾
Gold Price (US\$/oz)	\$1,800	\$1,950	\$2,100	\$1,918
Silver Price (US\$/oz)	\$22.50	\$25.00	\$27.50	\$23.01
Copper Price (US\$/lb)	\$4.00	\$4.50	\$5.00	\$3.73
Net Revenue (US\$)	\$3.37 billion	\$3.71 billion	\$4.05 billion	\$3.43 billion
After tax NCF ⁽²⁾ (US\$)	\$584.9 million	\$868.0 million	\$1.15 billion	\$632.5 million
After tax NPV ⁽²⁾ 5% (US\$)	\$259.4 million	\$442.1 million	\$622.2 million	\$292.2 million
After tax IRR ⁽²⁾ (%)	15.5	22.6	29.5	17.0
Payback ⁽³⁾ /Mine Life (years)	3.0	2.7	2.1	3.0

(1) As of September 7, 2023

(2) NCF means net cash flow; NPV means net present value; IRR means internal rate of return.

(3) Preproduction capital

Capital and Operating Costs

Table 2: Gabbs Project September 2023 Updated PEA Capital Costs

Capital Costs	(US\$ in millions)
Mining (including contingency of 10%)	\$54.9
Process, Heap Leach (including contingency of 25% on direct costs)	\$184.0
Other (including contingencies)	\$38.7
Total Pre-Production Capital ⁽¹⁾	\$277.7
Working capital and initial fills (heap leach)	\$9.6
Sustaining Capital (mill capital and contingencies)	\$288.1
Sustaining Capital (mining, other and contingencies)	\$84.1
Reclamation and Closure	\$35.6

(1) Sum differs due to rounding

Table 3: Gabbs Project September 2023 Updated PEA Operating Costs and AISC

Operating Costs	(US\$)
Mining (\$/tonne mined)	\$1.62
Heap Leach Processing (\$/tonne)	\$13.14
Mill Processing (\$/tonne)	\$18.97
G&A (\$/tonne)	\$0.96
AISC (by-product), LOM @ Spot Metal Prices (\$/ounce of gold)	\$1,126

Projected Mining and Production

Table 4: Gabbs Project September 2023 Updated PEA Projected Mining and Production Summary

Year	Tonnes Process Ox/S ⁽¹⁾ (k t)	Gold Grade Ox/S ⁽¹⁾ (g/t)	Silver Grade Ox/S ⁽¹⁾ (g/t)	Copper Grade Ox/S ⁽¹⁾ (%)	Gold Production (k oz)	Silver Production (k oz)	Copper Production (k lbs)	Gold Equivalent Production ⁽²⁾ (k oz)
1	6,000/-	0.82/-	1.44/-	0.22/-	105	107	13,226	132
2	6,000/-	0.68/-	1.72/-	0.30/-	106	146	20,600	148
3	6,000/-	0.43/-	1.51/-	0.28/-	71	134	20,357	112
4	6,000/-	0.56/-	1.43/-	0.29/-	81	126	20,422	122
5	6,000/-	0.48/-	1.20/-	0.23/-	74	107	17,260	109
6	1,219/3,281	0.60/0.60	0.32/1.27	0.24/0.29	93	93	23,952	141
7	2,000/4,000	0.53/0.53	0.72/1.24	0.24/0.30	94	118	28,714	151
8	2,000/4,000	0.57/0.45	0.80/1.21	0.27/0.29	89	121	29,087	147
9	2,000/4,000	0.53/0.46	1.29/1.25	0.30/0.28	88	149	29,699	148
10	2,000/4,000	0.51/0.52	1.01/1.18	0.37/0.30	94	130	32,945	160
11	1,559/4,441	0.45/0.36	0.91/1.11	0.33/0.35	70	117	35,360	141
12	2,000/4,000	1.11/-0.46	3.22/1.33	0.26/0.24	123	257	25,078	175
13	1,754/4,246	0.54/0.41	0.99/0.83	0.23/0.18	83	103	20,028	123
14	-/2,562	-/0.43	-/0.84	-/0.24	33	34	10,754	55
Total					1,206 ⁽³⁾	1,742 ⁽³⁾	327,483 ⁽³⁾	1,863 ⁽³⁾

(1) Ox/S means oxide mineralization/sulphide mineralization

(2) At Spot Metal Prices.

(3) Sums may differ due to rounding

Table 5: Gabbs Project September 2023 Updated PEA Other Mine Production Parameters

Mining	(M t)
Total waste tonnes mined	306.8
Total processed tonnes mined	79.1
Total low-grade stockpile mined	9.3
Total tonnes mined	395.2
Recoveries	(%)
Heap - Gold Recovery, Oxide	78.3
Heap - Silver Recovery, Oxide	45.0
Heap - Copper Recovery, Oxide	54.0
Mill - Gold Recovery, Oxide	95.2
Mill - Silver Recovery, Oxide	83.0
Mill - Copper Recovery, Oxide	74.0
Mill - Gold Recovery, Sulphide	94.5
Mill - Silver Recovery, Sulphide	50.0
Mill - Copper Recovery, Sulphide	79.9

Mining and Processing

Mining

The mineralized material will be mined by standard open-pit mining methods using an owner mining fleet of 136-tonne haul trucks and 15.3 m³ hydraulic shovels, fine crushed using a system incorporating a jaw crusher, cone crushers and high-pressure grinding rollers (HPGR).

Processing

Heap Leach

The Gabbs mineralized material is estimated to contain an average of 0.27% copper based on the mine plan used for this Updated PEA. A portion of this copper is cyanide soluble and is expected to be extracted in the heap leach circuit. The cyanide soluble copper has an effect on the cyanide consumption. A SART (sulfidization, acidification, recycling and thickening) plant that releases cyanide associated with the copper cyanide complex, allowing it to be recycled back to the leach process as free cyanide is included. The resulting copper precipitate will be sold, bringing additional revenue to the project.

After the crushing circuit, the mineralized material will be agglomerated with cement and conveyor stacked on the heap leach pad in 8-meter lifts then single-stage leached with a dilute cyanide solution. The gold and copper bearing solution will be collected in the pregnant solution pond and pumped to the SART plant. Pregnant solution will be acidified with sulfuric acid, then copper will be precipitated as sulfides by the addition of sodium hydrosulfide. The precipitate will be thickened and filtered to produce a copper filter cake for shipment to a smelter. The barren solution from the SART plant will be processed in a carbon adsorption-desorption-recovery (ADR) plant to recover gold. The gold will be periodically stripped from the carbon using a desorption process. The gold will be plated on stainless steel cathodes, removed by washing,

filtered, dried and then smelted to produce a doré bar.

Mill

The ROM feed material to the mill will use the same crushing circuit as the heap leach facilities. The mill feed will be crushed to P80 6.3 mm, (1/4") in a three-stage crushing circuit, with the third-stage an HPGR. The ore will be conveyed to a single-stage ball mill circuit. Sulfide and oxide mineralized material will be campaigned through the mill as the oxide material will not be treated in the flotation circuit. The milled sulphide product will be treated in a flotation plant to produce a copper concentrate suitable for sale. The flotation tailings and ground oxide material will be thickened, then direct cyanide leached to dissolve gold, silver and copper. The leached solids will be washed in a CCD circuit to remove the dissolved metals and cyanide. The dissolved copper and silver will be recovered from the CCD overflow solution in a SART plant as a copper/silver sulphide precipitate. Regenerated sodium cyanide from the SART plant will be recycled to the leach circuit. Gold in the SART plant barren solution will be recovered in an ADR plant and refined to produce doré bars. The CCD tails are treated in a cyanide destruction circuit, filtered, and conveyed to a "dry stack" storage facility.

Opportunities

- Low-Grade Stockpile - evaluate alternatives for processing low-grade stockpile
- Leased Mining Fleet- evaluate leasing versus purchasing the mining fleet
- Contract Mining - evaluate contract mining versus owner fleet
- Mine Plan - optimize mine sequencing to increase return on capital and carryout geotechnical drilling to optimize angles
- Stripping - evaluate extent of alluvium in waste to reduce stripping cost
- Mineral Resource - expand oxide and sulphide gold and gold and copper mineralization (zones remain open)
- Metallurgy - complete additional test work to increase recoveries for oxide and sulphide mineralization and evaluate HPGR for potential heap leaching of sulphide mineralization to increase recovery of free gold
- Capex - evaluate equipment alternatives to reduce capital costs

Next Steps

Additional metallurgical test work will be undertaken next to refine metallurgical recoveries for both the oxide and sulphide mineralization along with an evaluation of the depth of the alluvium and geotechnical drilling. Thereafter, Feasibility level studies will commence and will include an evaluation of contract mining versus an owner fleet (leased or owned), mine plan optimization and equipment alternatives. Timing of the metallurgical test work, drilling and Feasibility level studies will be dependent on the availability of funds.

Gabbs Project 2023 Mineral Resource Estimate

The June 2023 Updated Mineral Resource Estimate ("2023 MRE") was prepared by P&E based on four diamond drill holes and 27 reverse circulation drill holes completed by the Company in 2021 and 2022 and 494 drill holes completed by prior Gabbs Project operators between 1970 and 2011. The 2023 MRE is restated in this news release to include silver.

The main difference between the 2023 MRE and the February 2022 Mineral Resource Estimate (see news release dated February 10, 2022) is the decrease in the oxide cutoff grade to 0.28 g/t gold equivalent from 0.35 g/t gold equivalent and an increase in the sulphide cutoff grade to 0.44 g/t gold equivalent from 0.36 g/t gold equivalent. As a result, oxide Mineral Resources have increased and sulphide Mineral Resources have decreased.

Table 6: June 2023 Gabbs Project Pit Constrained Mineral Resource Estimate⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Mineral Resource Classification (M)	Tonnes	Gold Grade (g/t)	Silver Grade (g/t) ⁽⁵⁾	Copper Grade (%)	Gold (M oz)	Silver ⁽⁵⁾ (M oz)	Copper (M lbs)	Grade (g/t)	Gold Eq. (M oz)
Indicated	42.3	0.50	2.8	0.28	0.676	1.964	261.3	0.78	1.058
Inferred	55.2	0.50	2.1	0.25	0.895	1.885	304.0	0.77	1.358

(1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

(2) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

(3) The Mineral Resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) The Mineral Resource Estimate was prepared for a potential open pit scenario using a constraining pit shell (with 50 degree slopes) at respective 0.28 g/t and 0.44 g/t oxide and sulphide gold equivalent cut-off grades. The gold equivalent cut-off grades were derived from US\$1,838/oz gold, US\$3.96/lb copper, US\$2.15/tonne mining cost, and US\$11.76 and \$23.66/tonne respective oxide and sulphide processing costs; US\$1.25/tonne G&A cost, 78.3% and 95.2% respective Au oxide and sulphide process recoveries; and 48% and 78% respective Cu oxide and sulphide process recoveries.

(5) Silver not included in gold equivalent calculation.

Oxide Mineral Resources at Gabbs consist of Indicated Mineral Resources of 724,400 ounces of gold equivalent (30.6 million tonnes grading 0.49 g/t gold, 1.49 g/t silver and 0.27% copper) and Inferred Mineral Resources of 779,000 ounces of gold equivalent (33.0 million tonnes grading 0.53 g/t gold, 1.03 g/t silver and 0.23% copper). See Table 7 below for a breakdown of the oxide and sulphide Mineral Resources.

Table 7: June 2023 Gabbs Project Pit Constrained Mineral Resource Estimate by Rock Group⁽¹⁾⁽²⁾

Rock Group	Tonnes (M)	Gold				Silver				Copper				Gold Eq. Grade (M oz)	Eq. (M oz)
		Grade (g/t)	Grade (g/t)	Grade (%)	Gold (M oz)	Silver (M oz)	Copper (M lbs)	Grade (g/t)							
Oxide Indicated	30.6	0.49	1.49	0.27	0.483	1.468	182.1	0.74						0.724	
Oxide Inferred	33.0	0.53	1.03	0.23	0.556	1.086	167.8	0.74						0.779	
Sulphide Indicated	11.7	0.52	1.32	0.31	0.193	0.496	79.2	0.89						0.333	
Sulphide Inferred	22.2	0.47	1.12	0.28	0.339	0.799	136.2	0.81						0.579	

(1) See Notes 1 to 4 to Table 1 above.

(2) Tables may differ and not sum due to rounding.

Table 8: June 2023 Gabbs Project Pit Constrained Mineral Resource Estimate by Zone⁽¹⁾⁽²⁾

Zone	Gold Silver Copper				Gold Eq.				Gold Eq. (M oz)
	Tonnes (M)	Grade (g/t)	Grade (g/t)	Grade (%)	Gold (M oz)	Silver (M oz)	Copper (M lbs)	Grade (g/t)	
Sullivan Indicated	42.3	0.50	1.45	0.28	0.676	1.964	261.3	0.78	1.058
Sullivan Inferred	9.6	0.52	1.21	0.27	0.161	0.372	57.6	0.83	0.256
Lucky Strike Inferred	41.0	0.47	1.12	0.26	0.619	1.479	238.0	0.74	0.976
Car Body	3.3	0.99	0.38	-	0.106	0.34	-	0.99	0.106
Inferred									
Gold Ledge ⁽³⁾	1.3	0.21	-	0.28	-	-	-	0.47	-

Inferred

(1) See Notes 1 to 4 to Table 1 above.

(2) Tables may differ and not sum due to rounding.

(3) Gold Ledge Inferred Mineral Resource rounded to zero**.

Qualified persons

The Updated PEA was prepared by Carl E. Defilippi, RM SME of KCA and Eugene Puritch, P.Eng., FEC, CET, and Andrew Bradfield, P.Eng. of P&E Mining Consultants Inc. ("P&E") of Brampton, Ontario, each of whom is a "Qualified Person" as defined by NI 43-101 and independent of the Company and has reviewed and approved of the technical content relating to the Updated PEA in this news release.

The 2023 MRE was prepared under the supervision of Eugene Puritch, P.Eng., FEC, CET of P&E Mining Consultants Inc., who is an Independent Qualified Person, as defined by National Instrument 43-101. Mr. Puritch has reviewed and approved the technical contents of this news release relating to the 2023 MRE.

Ken McNaughton, M.A.Sc., P.Eng., Chief Exploration Officer, P2 Gold, is the Qualified Person, as defined by National Instrument 43-101, responsible for the Gabbs Project. Mr. McNaughton has reviewed, verified, and approved the scientific and technical information in this news release.

About P2 Gold Inc.

P2 Gold is a mineral exploration and development company focused on advancing precious metals and copper discoveries and acquisitions in the western United States and British Columbia.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Information

This press release contains "forward-looking information" within the meaning of applicable securities laws that is intended to be covered by the safe harbours created by those laws. "Forward-looking information" includes statements that use forward-looking terminology such as "may", "will", "expect", "anticipate", "believe", "continue", "potential" or the negative thereof or other variations thereof or comparable terminology. Such forward-looking information includes, without limitation, information with respect to the

Company's expectations, strategies and plans for the Gabbs Project including the Company's planned expenditures and exploration activities.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made. Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. See "Risk Factors" in the Company's annual information form for the year ended December 31, 2022, dated March 16, 2023 filed on SEDAR at www.sedar.com for a discussion of these risks.

The Company cautions that there can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information.

Except as required by law, the Company does not assume any obligation to release publicly any revisions to forward-looking information contained in this press release to reflect events or circumstances after the date hereof.

SOURCE [P2 Gold Inc.](#)

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