

# Euro Sun Provides Corporate Update on Rovina Valley Gold-Copper Project

written by Raj Shah | April 9, 2019

April 8, 2019 ([Source](#)) – Euro Sun Mining Inc. (TSX: ESM) (“Euro Sun” or the “Company”) is pleased to provide a corporate update and comment on the current strategy regarding development of the ten million gold equivalent ounce Rovina Valley Project (“RVP”).

In response to many questions from shareholders regarding the Preliminary Economic Assessment (“PEA”) released on February 20<sup>th</sup>, 2019, and subsequently filed on SEDAR on April 1<sup>st</sup>, 2019, we would like to review the approach being taken for development at RVP so that all investors have a clear understanding of the ultimate value of this world class gold development project.

The PEA outlines a robust project producing on average 108,000 oz of gold and 13.3 million lbs of copper per year for 12 years (139,000 Aueq ounces per annum) in Phase One of development exploiting the Colnic deposit initially. Colnic currently hosts ONLY 29% of the exploitable resources at RVP.

Initial CAPEX for Colnic is estimated at US\$339 million. This is primarily allocated at US\$33 million for capitalized pre-stripping and US\$264 million for the 7.2 million ton per annum processing plant. As the project will be built with dry stack tailings, not wet tailings, the sustaining CAPEX will be quite low for operations of this size. Typically, significant sustaining capital is allocated to tailings dam lifts throughout the life of mine, which are not the case in a dry stack operation.

RVP has been designed to be one of the most environmentally responsible gold projects globally due to the lack of a wet tailings facility and without the use of cyanide anywhere in the project. In order to meet these strict standards the decision for dry stack tailings with no cyanide was undertaken by both the Company and the Government of Romania. The Company would have a lower capital budget and lower operating costs if a traditional wet tailings facility were to be built. Using cyanide in a closed circuit would have generated higher recoveries and therefore higher tax revenues for the Government.

G. Scott Moore stated: "Rovina is a clear example of a project that's meets today's investor mandate for Environmental Social Governance ("**ESG**") companies in which to invest. A conscientious decision was made by both Euro Sun and Romania to make this a better environmentally and socially responsible project and not just to maximize profitability at the expense of all stakeholders."

## **Background**

The PEA of April 23, 2010 (the "**2010 PEA**"), currently on SEDAR, outlined a large-scale operation at RVP highlighting the simultaneous exploitation of both open pit deposits; Colnic and Rovina; combined with the underground deposit Ciresata, at a mining rate of 16.2 million tonnes per annum with initial capex estimated in 2010 at US\$545 million.

The final ratification for the mining license, completed in November 2018, took much longer than both the Company and Government of Romania anticipated. As such, work on the BFS was limited due to regulatory access to perform certain works programs which the company is only entitled to initiate once the Mining License is ratified.

Under securities law, economics of a mineral resource have to

refer to a valid NI 43-101 technical report. As the 2010 PEA was almost 10 years out of date and described a much larger and more complex project, it was decided to initiate a new preliminary economic assessment with a focus on a staged approach to development at RVP.

The current PEA is predicated on that staged approach; to deliver a project that is buildable, financeable and permittable as a single mining asset company.

The PEA now includes an updated Mineral Resource Estimate for RVP as at 2019. This has now replaced the 2012 NI 43-101 resource statement and incorporate current metal prices and operating parameters. Secondly, the PEA for RVP announce the results of the preliminary economic assessment for the exploitation of the Colnic open pit; the initial phase of development of its Rovina Valley Project. The Company is applying a staged, multi phase development approach for RVP. RVP consist of the Colnic and Rovina open pit deposits and the Ciresta underground mine. The PEA considers the Colnic mineral deposit only but does include the processing facilities which will be used in treating both Colnic and Rovina ore. Sequencing for the Rovina open pit and Ciresta underground mine will be undertaken in a separate study at a later date. All amounts are in US dollars unless otherwise indicated.

## **PEA HIGHLIGHTS**

- **Average annual gold equivalent production of 139,000 ounces**
- **Colnic production of 1,675,168 Gold Equivalent ounces (1,301,176 ounces Au) over 12 years**
- **Avg. AISC of \$752/oz (net of copper credit)**
- **Processing rate of 20,000 tonnes per day incorporating flotation and dry stack tailings deposition.**

- Pre-Tax NPV<sub>5%</sub> of \$218.1 million and IRR of 15.4% at \$1,325/oz gold and \$3.10/lb copper
- Initial capital costs of \$339.7 million (total CAPEX of \$352 million)
- Average metallurgical recoveries of 82% for gold and 89% copper without utilizing cyanide

**Table 1: Preliminary Economic Assessment Highlights**

Base Case Assumptions		
Gold price (base case)	\$1,325/oz	
Copper price (base case)	\$3.10/lb	
Gold recovery	82%	
Copper recovery	89%	
Mine Life (Phase I)	12 years	
Mining rate	20,000 tonnes per day	
Mine Parameter		
Average annual gold equivalent production	139,000 ounces	
Average annual gold production	107,987 ounces	
Average annual copper production	13,261,854 pounds	
Average gold grade g/t	0.5	
Average copper grade %	0.10	
Colnic LOM Strip ratio (waste to ore)	2.2	
Capital Costs		
Pre-strip capital	\$33.5 million	
Initial capital	\$306.1 million	
Total CAPEX	\$352 million	
Operating Costs		

All-in sustaining costs	\$752/ ounce AuEq	
Mining costs	\$2.18 /tonne moved	
Milling costs	\$7.05 /tonne milled	
G&A costs	\$0.50 /tonne milled	
Cash Flow		
Pre-Tax NPV (5% discount rate)	\$218 million	
Pre-Tax IRR	15.4%	
Post-Tax NPV (5% discount rate)	\$169 million	
Post-Tax IRR	13.5%	

The PEA was prepared by Lycopodium Minerals Canada Limited and AGP Mining Consultants Inc. The technical report dated April 1, 2019 related to the PEA results is available on SEDAR, in accordance with National Instrument 43-101 (“**NI 43-101**”)

## Rovina Valley Project Resource Update 2019

**Table 2: Rovina Valley Project 2019 Mineral Resource Estimate at base case cut-off grades (as of February 19, 2019)**

Resource Category	Tonnage (MM t)	Au (g/t)	Cu (%)	Gold (MM oz)	Copper (MM lbs)	Au Eq* g/t	Au Eq* (MM oz)
<b>Measured</b>							
Rovina (open-pit)	32.1	0.36	0.29	0.37	208.5	0.53	0.83
Colnic (open-pit)	29.2	0.65	0.12	0.61	74.3	0.82	0.77
Ciresata (underground)	28.5	0.88	0.16	0.81	102.2	1.13	1.03
<b>Total Measured</b>	<b>90.0</b>	<b>0.62</b>	<b>0.19</b>	<b>1.78</b>	<b>385.1</b>	<b>0.91</b>	<b>2.63</b>

<b>Indicated</b>							
Rovina (open-pit)	74.2	0.27	0.22	0.64	364.6	0.60	1.44
Colnic (open-pit)	106.5	0.47	0.10	1.62	227.5	0.62	2.12
Ciresata (underground)	125.9	0.74	0.15	3.01	413.4	0.97	3.92
<b>Total Indicated</b>	<b>307.2</b>	<b>0.53</b>	<b>0.15</b>	<b>5.26</b>	<b>1,005.5</b>	<b>0.76</b>	<b>7.47</b>
<b>Total Measured &amp; Indicated</b>	<b>396.0</b>	<b>0.55</b>	<b>0.16</b>	<b>7.05</b>	<b>1,390.6</b>	<b>0.79</b>	<b>10.11</b>

- \*Au eq. determined by using a long-term gold price of US\$1,500 per ounce and a copper price of US\$ 3.30/lb. Metallurgical recoveries are not taken into account for Au eq.
- Base case cut-off grade used in the table are 0.35 g/t Au eq. for the Colnic deposit and 0.25% Cu eq for the Rovina deposit, both of which are amenable to open-pit mining and 0.65 g/t Au eq. for the Ciresata deposit which is amenable to underground bulk mining.
- For the Rovina and Colnic porphyries, the resources are pit-shell constrained using Lerchs-Grossmann algorithm pit optimizer and market metal values of \$1,500/oz Au price and \$3.30/lb Cu price, with net prices after smelter payables, concentrate transport, smelter charges, and royalty of US\$1,384/oz Au and US\$2.61/lb Cu for Colnic and US\$1,286/oz Au and US\$2.59/lb Cu for Rovina. Flotation metallurgical recoveries used are: Colnic 81.5% gold, 88.5% copper and Rovina 73.2% gold, 94.7% copper.
- Rounding of tonnes as required by reporting guidelines may result in apparent differences between tonnes, grade and contained metal content.

- These mineral resources are not mineral reserves as they do not have demonstrated economic viability

At both the Rovina and Colnic deposits, there are higher-grade portions of each deposit that outcrop at surface. These areas represent higher grade porphyry core mineralization that can allow cut-off grade optimization in mining scenarios. As an example, the higher-grade mineralization at Colnic contains measured plus indicated resources at  $>0.70$  g/t Au eq of 46 million tonnes at 0.75 g/t Au and 0.12% Cu. At the Rovina deposit, the higher-grade mineralization contains measured plus indicated resource at  $>0.50\%$  Cu eq of 30 million tonnes at 0.48 g/t Au and 0.34% Cu. Ciresta has a continuous zone of high-grade gold and copper mineralization in the core of the deposit that persists at depth that is suitable for extraction with an underground bulk-mining method. At Ciresta, the measured plus indicated resource of this core at  $>1.0$  g/t Au eq contains 58 million tonnes at 1.04 g/t Au and 0.18% Cu.

### **About Euro Sun Mining Inc.**

Euro Sun is a Toronto Stock Exchange listed mining company focused on the exploration and development of its 100%-owned Rovina Valley Gold and Copper Project located in west-central Romania. The property hosts 10.11 million gold equivalent ounces (7.05 million ounces of gold grading 0.55 g/t and 1,390 million pounds of copper grading 0.16%).

### **Qualified Persons**

The mineral resources stated in this press release have been reviewed and approved by the following independent qualified person, as defined by NI 43-101:

- Mr. Pierre Desautels, P.Geo, a Principle Partner of AGP is responsible for the mineral global mineral resource

estimate and is an independent qualified persons as defined by NI-43-101

- Mr. Gordon Zurowski, P.Eng, a Principle Partner of AGP is responsible for the mining aspects of the resource estimate and is an independent qualified persons as defined by NI-43-101

Mr. Desautels and Mr. Zurowski confirmed that they have reviewed the information in this release as it relates to the mineral resource estimate. The complete Technical Report has been filed on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).

Mr. Randy Ruff, P.Geo, an employee of Euro Sun and a qualified persons as defined by NI 43-101 has also reviewed the contents of this press release relating to the mineral resource estimate.

#### **Further information:**

For further information about Euro Sun Mining, or the contents of this press release, please contact Investor Relations at [info@eurosunmining.com](mailto:info@eurosunmining.com)

#### **Caution regarding forward-looking information:**

*This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, without limitation, statements regarding the PEA, the Technical Report and mineral resource estimates at RVP. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks inherent in the mining industry and risks described in the public disclosure of the Company which is available under the profile of the Company on*



SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.eurosunmining.com](http://www.eurosunmining.com). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

The TSX does not accept responsibility for the adequacy or accuracy of this news release.