

# Study confirms Runruno viability

**A** FEASIBILITY study for Metals Exploration's Runruno Gold-Molybdenum Project has confirmed the viability of a project annually producing an average of 96,700 ounces of gold over a mine life of 10.4 years.

It forecasts annual production in years 1-5 of 101,800 ounces of gold and in years 6-10 of 92,700 ounces with molybdenum credits not included while test work continues. For the first time at Runruno, 780,000 ounces of gold has been classified as a proven and probable mining reserve.

The feasibility study was project managed by Metals Exploration with all material components undertaken by independent external consultants.

It was based on a mineable reserve prepared by Mining Associates with an open pit mining operation and biological leaching using the BIOX® process combined with conventional carbon-in-leach treatment to recover gold to dore bullion and molybdenum to a saleable molybdenum product.

The company continues to pursue the recovery of molybdenum from the circuit, so as to enhance the economic returns of the project further. The target remains to achieve recoveries of at least 45%, equating to average annual production of about 900,000 pounds contained molybdenum.

To date test work has demonstrated 60% recoveries through flotation into the bulk concentrate, and 80% recovery of the balance into the BIOX® solution. However, to date test work at the pilot plant has been prioritized for the achievement of gold recoveries (91.9%), and it is only now, with the gold test work substantially complete, that resources can be directed towards demonstrating molybdenum recovery from solu-

tion into a saleable product.

As well as the proven and probable 2P reserves of 780,000 ounces, the company has included a further 5.5 million tonnes @ 1.81 grams/tonne gold and 0.034% molybdenum of inferred mineral resource in the mine schedule after applying the same mining parameters inclusive of dilution and mine recovery used in estimating the mining reserve.

The company's managing director Jonathan Beardsworth says, "What is certain from the results of the feasibility study is that we have transformed Runruno from a promising resource into a mine-in-waiting."

"We now move into the optimization phase, and further value can be expected to accrue through the beneficial effects of gearing once banking discussions have progressed, confirmation that molybdenum recovery to a saleable product has been secured, and the continuing potential to add to the resource through step-out drilling."

An Environmental Compliance Certificate (ECC) has also been issued for the project on the island of Luzon.

The ECC, signed by the acting secretary of the Philippines Department of Environment and Natural Resources (DENR), was issued after satisfactory evaluation of the project's Environmental Impact Statement (EIS).

The ECC and EIS process has been conducted with the full participation and involvement of the local community and all relevant stakeholders.

Under the ECC the company is committed to implement measures presented in the EIS to protect and mitigate against any adverse impacts on the health and welfare of community and the environment.



On the road to Metals Exploration's Runruno project.



A swinging bridge traversing a stream at Runruno.



A view from the Runruno project area.



Looking down on the project area at Runruno.



Reverse circulation drilling at the project site

## Funds to advance Hinoba-an Copper Project

**C**OPPER Development Corporation is seeking to use up to US\$30 million raised through an IPO as part of its admission to AIM in May to advance its Hinoba-an Porphyry Copper Project on Negros Island.

The new company purchased the project from Solfotara as a result of this company spinning out its interest in Hinoba Holdings, which owns a 92.5% interest in Hinoba-an.

The town of Hinoba-an is about a three hour drive on the paved coastal highway from Bacolod, the provincial capital of Negros Occidental, and about 700km south of the capital Manila.

Copper Development intends to spend the funds on completion of a 12 month pre-feasibil-

ity study and on a 12 month bankable feasibility study on the project. It will also consider acquisition of complimentary mineral projects.

Previous owners have spent more than US\$20 million on extensive exploration and metallurgical test work, including more than 65,000 metres of diamond and reverse circulation drilling.

This work indicates that Hinoba-an has 172 million tonnes @ 0.42% copper for about 1.6 billion contained pounds, which could be mined by open pit method and processed in a 12 million tonne/year conventional flotation milling operation to recover copper concentrate and other by-products, for annual copper production anticipated at 35,000 tonnes and a mine life of 13 years.

The initial capital costs are expected to be in the range of \$310 million with operating costs coming in at \$1.50 per pound of copper.

Pre-feasibility studies indicate that the two deposits on the property, Don Joase and A1, are reasonably well drilled and that due attention has been paid to core handling, sampling and assaying.

The company says there are other areas which could provide cost benefits, such as the exploration potential of molybdenum and pyrite or the sequential mining of the two pits - where the first pit mined can be used as either the waste rock dump for the overburden from the second pit or as a tailings dam, which would reduce rehabilitation costs and reduce capital requirements.