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Nevada Copper starts planning the Pumpkin pit

Just a week after unveiling a revamped plan to develop its Pumpkin Hollow underground deposit, Nevada Copper (CN:NCU) has begun filling in the blanks as to how it could also get at the larger openpit resource.



Pumpkin Hollow in Nevada

The project has long been of interest due to its massive combined five billion pound copper reserve, but has been in the development doghouse for the past two years because of the high development costs. The pre-feasibility study last week projected building a more economically viable high-grade underground mine as a way to jumpstart the project, with first production expected in 2019.

In the meantime, Nevada Copper plans to work the openpit to set the stage for the eventual development of a scaled-back operation to access one of the largest copper deposits in the US.

"With the underground project set to proceed, we are working in parallel on the optimization of a western area open pit mine development following the same philosophy applied in the recently-completed high-grade underground project optimization," said CEO Giulio Bonifacio.

The company plans to launch a 10,000m drilling program early next year aimed at delineating areas around the northern rim of the north pit - the higher grade of the two pits that make up that part of the project - as well as the "connector area" between the two pits. Initial drilling of the area in 2012 encountered mineralization, including an intercept of 37.4m grading 3.96% copper, 0.384g/t gold and 14.2g/t silver.

Nevada Copper sees the drilling as key to improved economics, due to the fact that the north rim and connector areas were largely inaccessible prior to 2015 due to the company's smaller land holding at the time. With both areas now in hand following a major land swap late that year, Bonifacio sees the potential to convert currently-classified waste material into revenue-producing ore, thus cutting down stripping costs.

"Drilling to extend North deposit resources and a re-scaled open pit development, represents a tremendous opportunity to add further value," he said.

Other cost reductions should come from updating energy, labour and other capital inputs to present-day levels, and from scaling down the open pit operation from the original 70,000tpd plan to a 30,000-40,000tpd operation, and sourcing initial mill feed from the higher grades of the north pit. Nevada Copper has dubbed the approach the "margin over tons" philosophy.

The company expects drill results to begin trickling out sometime in January, followed by an eventual resource update and a firmer development plan.