

Nevsun Resources has revealed an updated preliminary economic assessment for the Timok upper zone copper project in Serbia.

Based on the PEA, the project is expected to produce more than 960,000t of payable copper over a mine-life of 15 years.

The project involves sub-level cave mining, and will have a 3.3 million tonnes per annum conventional plant producing copper concentrate.

With an after-tax net asset value of \$1.5bn, the project is estimated to require \$630m in pre-production capital and will have an internal rate of return of 50%.

Nevsun Resources CEO Peter Kukielski said: "The PEA demonstrates the extremely compelling economics of the Timok upper zone project.

"Nevsun is in a unique position in the industry with a 100% ownership of a high-grade, high return copper project in a well-established mining jurisdiction.

"For now, we remain focused on further defining the project capital cost and execution plan through robust front-end engineering. Additional detailed design and metallurgical test work is ongoing ahead of the pre-feasibility study and we now plan to break ground on the exploration decline in Q1 2018."

The company is working with the Serbian Government on permitting in an effort to commence production in 2021.

The PEA comprises an additional 36,639m of infill drilling, an updated mineral resource estimate, as well as mining method.

In addition, it includes additional metallurgical test work, process plant and infrastructure engineering and a new marketing study.

The pre-feasibility study is scheduled to take place in the first quarter of next year, while the feasibility study will follow in the first half of 2019.

These studies will enable the company to further define the project and optimise costs for the project's construction and operation phases.

Source: mining-technology