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NEWS

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Nevada Copper Confirms Aim To Be Nevada's Next Copper Mine

Many a firework manufacturer would envy the way the share price of Nevada Copper has rocketed since it listed on the TSX in August. From C\$1 to C\$3.40 is the scale of things and our Canadian Correspondent caught a glimpse of it in his round-up last week when the price got a further boost following a report of an updated resource estimate for its Pumpkin Hollow copper project in Nevada. Using a 0.3% copper cut off, the new measured and indicated resource amounts to nearly 227.5 million tonnes grading 0.75% copper. Nevada Copper ended the week at C\$3.40 for a C\$0.15 gain. Small wonder the company describes itself as Nevada's next copper mine on its website as the project is well on the way to feasibility.

In October President and chief executive Giulio Bonifacio came out with a release promising that this resource estimate would be announced within a month. This was a brave move as there is always the danger of the odd hiccup, but he did it with a few days to spare. He also managed to point out that the new estimate would incorporate assays for over 5,300 meters of historic drill core that previously had limited assays for copper, gold and silver. The company assayed the whole of the core for these three metals and it was clear that gold and silver would contribute useful credits in addition to a significant increase in the copper resource and an upgrade in resource classifications estimate. The database for Pumpkin Hollow now consists of 455 drill holes containing in excess of 200,000 meters of drilling and 38,000 assays.



This was a very shrewd piece of promotion. It is often difficult to maintain investor interest when the wait for a resource estimate lasts several months and the only news during that time concerns drilling results. Mr Bonifacio took the opportunity to remind investors of the figures in the last estimate and therefore had them on the edge of their seats as it was clear this one would be better. In the event, of course, it was as the new resource estimate in all categories for copper increased by 1.8 billion lbs to 7.9 billion lbs. In the measured and indicated categories alone the average copper grade increased by 31 per cent to 0.58% and the resources rose by 44 per cent to 4 billion lbs of copper. The tweak on the tail was that 1.3 million ozs of gold and 57 million ozs of silver had been added for the first time.

Going deeper into the figures, the measured and indicated resources for the East and E2 underground deposits, using a cut-off of 0.75% copper as opposed to 0.25% for the other resources, trebled to 1.2 billion lbs of copper in 41.6 million tonnes grading 1.46% copper. The grade in the open pit North deposit also increased by 28 per cent to 0.61% copper, so everything has been moving in the right direction. And this is not the end of the story as significant potential exists to expand the resource further with open mineralization fronts remaining in the East, E2, South and North deposits.

Giulio Bonifacio is clearly delighted with the results which were even better than anticipated when drilling started. "The new resource is being integrated into the Preliminary Assessment that is currently in progress and a full bankable feasibility will follow swiftly on its heels," he said and went on to confirm that his company would start its next phase of drilling before Christmas, focusing on areas such as the west and northeast extensions of the East deposit, the southwest extension of the E-2 deposit, the open areas in the North deposit and the favourable area between the North and South deposits where copper mineralization remains open. Additionally geotechnical, hydrologic, and condemnation data will be compiled for inclusion in the feasibility study.

With all the excitement over Nevada's next copper mine being fast tracked through feasibility the iron resource found within and contiguous to the copper-gold-silver deposits at Pumpkin Hollow is sometimes overlooked. A stand-alone resource estimate was therefore commissioned and the result was 144 million tonnes of contained iron in 656 million tonnes - mostly of magnetite - at an average grade of 22% iron at a 10% iron cutoff. Students of the great iron ore boom in Australia will understand that magnetite is much lower in grade than haematite and therefore has to be concentrated prior to transportation to a steelworks. In this case it looks as if pelletizing could be the answer and Iron pellet feed prices to the Asian market currently trade in excess of US\$80 per ton. Yet another reason for the share price performance.

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