

Dundee Precious Metals has announced the results of a preliminary economic assessment (PEA) for its Timok gold project, in Serbia, providing a foundation upon which the project will now be optimised.

The PEA, prepared by CSA Global Consultants, is based on Timok producing 132 000 oz/y at its peak, at an all-in sustaining cost of \$717/oz, over a nine-year mine life.

The mine will require an initial capital outlay of \$136-million.

The PEA estimated an after-tax net present value of \$105-million and an after-tax internal rate of return of 18.6% for the project, which has a payback period of 4.1 years.

Dundee says it will explore optimisation opportunities for the project, explaining that PEA's mining scenario targeted primarily oxide and transitional material types, with limited amounts of higher grade sulphide material included. The company will evaluate a scenario that targets additional sulphide material.

A parallel optimisation of recoveries, processing strategies and throughputs to balance the processing methods with the adjusted feed materials could also generate additional value.

Additional metallurgical testwork will also provide opportunities for optimisation of the processing methods, costs and recoveries for all gold-bearing material types. The previous testwork done on flotation recoveries pre-dates the reclassification of the deposit into oxide, transitional and sulphide materials. Dundee states that further flotation testwork on specifically what is now classified as sulphide material, excluding the oxide and transitional materials, could result in improved performance.

Source: miningweekly.com