

Euro Sun Files 43-101 Technical Report on Initial Phase of Development at the Rovina Valley Gold-Copper Project

written by Raj Shah | April 3, 2019

April 2, 2019 ([Source](#)) – **Euro Sun Mining Inc. (TSX: ESM)** (“Euro Sun” or the “Company”) is pleased to announce it has filed the National Instrument 43-101 compliant Technical Report for the Preliminary Economic Assessment (“PEA”) for the exploitation of the COLNIC open pit; the initial phase of development of its Rovina Valley Project. The technical report also includes an updated Resource Estimate for the Rovina Valley Project utilizing updated cost parameters and metal prices. The Technical Report, dated April 1, 2019 and having an effective date of February 20, 2019, supports the scientific and technical disclosure included in the press release dated February 20, 2019.

The Technical Report titled, “Rovina Valley Project Preliminary Economic Assessment, NI 43-101, Rovina Valley, Romania” was prepared by Mr. Pierre Desautels, P.Geo, Principal Resource Geologist with AGP Mining Consultants Inc.; Gordon Zurowski, P.Eng, Principal Mine Engineer with AGP Mining Consultants Inc.; and Neil Lincoln, P.Eng, independent metallurgical consultant, who are all independent “qualified persons” as defined by National Instrument 43-101. The Technical Report is available on SEDAR at www.sedar.com and on the Company’s website at www.eurosunmining.com.

The Company is applying a staged, multi phase development approach for the Rovina Valley Project ("RVP"). The RVP consist of the COLNIC and ROVINA open pit deposits and the CIRESATA underground mine. The PEA considers the COLNIC mineral deposit only but does include the processing facilities which will also be used in treating both CIRESATA and ROVINA material. Sequencing for the ROVINA Open Pit and CIRESATA underground mine will be undertaken in a separate study at a later date. All amounts are in US dollars unless otherwise indicated.

PEA HIGHLIGHTS

- **Average annual gold equivalent production of 139,000 ounces**
- **COLNIC production of 1,675,000 Gold Equivalent ounces (1,301,000 ounces Au) over 12 years**
- **Avg. AISC of \$752/oz (net of copper credit)**
- **Processing rate of 20,000 tonnes per day (7.2 Mtpa) incorporating flotation and dry stack tailings deposition**
- **Pre-Tax NPV_{5%} of \$218.1 million and IRR of 15.4% and Post-Tax NPV_{5%} of \$168.8 million with an IRR of 13.5% at \$1,325/oz gold and \$3.10/lb copper**
- **Initial capital costs of \$339.7 million (total CAPEX of \$352 million)**
- **Average metallurgical recoveries of 82% for gold and 89% copper without utilizing cyanide**

Scott Moore, Euro Sun's CEO states, "The 2019 PEA highlights a positive economic project for our initial phase of development at the Rovina Valley Project. The Colnic Phase will form the foundation of a multi-decade operation with the centralized processing facility installed allowing for both Rovina and Ciresata to come online for minimal capex."

Rovina Valley Project Resource Update 2019

Euro Sun announces its updated National Instrument (N.I.) 43-101 compliant mineral resource estimate (“2019 Resource Estimate”) as provided by independent consultants AGP Mining Consultants Inc. (“AGP”), on Euro Sun’s 100% owned Rovina Mining License in west-central Romania. The 2019 Resource Estimate includes the COLNIC, ROVINA and CIRESATA gold-rich copper porphyry deposits, collectively referred to as the Rovina Valley Project (“RVP”). All three deposits are in close proximity and mill feed will be treated at a central processing facility. COLNIC and ROVINA are amenable to open-pit mining and CIRESATA to bulk underground mining.

The 2019 Resource Estimate is an update to the 2012 N.I. 43-101 compliant Resource Estimate (completed by AGP) to primarily reflect higher operating costs, new metallurgical recoveries (see Euro Sun Press Release dated 20 September, 2018), and higher metal prices on resource constraining Lerchs-Grossman open pits using appropriate cut-off grades. The geologic model and interpolated block model from the 2012 Resource Estimate are not changed in this current estimate (Technical Report filed on SEDAR in 2012). Mineral resources were estimated in conformance with the CIM Mineral Resource and Mineral Reserve definitions referred to in National Instrument (“N.I.”) 43-101, Standards of Disclosure for Mineral Projects and are considered to have reasonable prospects for economic extraction. The updated resource estimate is shown below.

Table 1: Rovina Valley Project 2019 Mineral Resource Estimate at base case cut-off grades (as of February 20, 2019)

Resource	Tonnage	Au	Cu	Gold	Copper	Au eq*
Category	(MM t)	(g/t)	(%)	(MM oz)	(MM lbs)	(MM oz)
Measured						

Rovina (open-pit)	32.1	0.36	0.29	0.37	208.5	0.83
Colnic (open-pit)	29.2	0.65	0.12	0.61	74.3	0.77
Ciresata (underground)	28.5	0.88	0.16	0.81	102.2	1.03
Total Measured	89.8	0.62	0.19	1.78	385.1	2.63
Indicated						
Rovina (open-pit)	74.2	0.28	0.23	0.64	364.6	1.44
Colnic (open-pit)	106.5	0.47	0.10	1.62	227.5	2.12
Ciresata (underground)	125.9	0.74	0.15	3.01	413.4	3.92
Total Indicated	306.6	0.53	0.15	5.26	1,005.5	7.47
Total Measured + Indicated	396.5	0.55	0.16	7.05	1,390.6	10.11

- *AuEq determined by using a long-term gold price of US\$1,500/oz and a copper price of US\$3.30/lb. These prices are the 10-year trailing averages as of November 26, 2018 plus 10% for copper and 15% for gold. Metallurgical recoveries are not taken into account for AuEq.

Base case cut-offs used in the table are 0.35 g/t AuEq for the Colnic deposit and 0.25% CuEq for the Rovina deposit (both of which are amenable to open-pit mining), and 0.65 g/t AuEq for the Ciresata deposit, which is amenable to underground bulk mining.

For the Rovina and Colnic porphyries, the resources are pit-shell constrained using Lerchs-Grossmann algorithm pit optimizer and market metal values of \$1,500/oz Au price and \$3.30/lb Cu price, with net prices after smelter payables, concentrate transport, smelter charges, and royalty of US\$1,384/oz Au and US\$2.61/lb Cu for Colnic and

Rovina. Flotation metallurgical recoveries used are: Colnic 81.5% gold, 88.5% copper and Rovina 81.5% gold, 88.5% copper.

- Rounding of tonnes as required by reporting guidelines may result in apparent differences between tonnes, grade and contained metal content.
- These mineral resources are not mineral reserves as they do not have demonstrated economic viability

At both the Rovina and Colnic deposits, there are higher-grade portions of each deposit that outcrop at surface. These areas represent higher grade porphyry core mineralization that can allow cut-off grade optimization in mining scenarios. As an example, the higher-grade mineralization at Colnic contains measured plus indicated resources at >0.70 g/t Au eq of 46 million tonnes at 0.75 g/t Au and 0.12% Cu. At the Rovina deposit, the higher-grade mineralization contains measured plus indicated resource at $>0.50\%$ Cu eq of 30 million tonnes at 0.48 g/t Au and 0.34% Cu. Ciresata has continuous zone of high-grade gold and copper mineralization in the core of the deposit that persists at depth that is suitable for extraction with an underground bulk-mining method. At Ciresata, the measured plus indicated resource of this core at >1.0 g/t Au eq contains 58 million tonnes at 1.04 g/t Au and 0.18% Cu.

The PEA was prepared by Lycopodium Minerals Canada Limited and AGP Mining Consultants Inc.

About Euro Sun Mining Inc.

Euro Sun is a Toronto Stock Exchange listed mining company focused on the exploration and development of its 100%-owned Rovina Valley Gold and Copper Project located in west-central Romania. The property hosts 10.11 million gold equivalent ounces (7.05 million ounces of gold grading 0.55 g/t and 1,390 million

pounds of copper grading 0.16%*).

Qualified Persons

The mineral resources and PEA results stated in this press release have been reviewed and approved by Mr. Pierre Desautels, P.Geo., and Mr. Gordon Zurowski, P.Eng, both Principal Partners of AGP, who are independent Qualified Person as defined by National Instrument 43-101. Mr. Desautels was responsible for the mineral resource estimate and Mr. Zurowski was responsible for the mining aspects of the mineral resource estimate and PEA study. Mr. Desautels and Mr. Zurowski confirmed that they have reviewed the information in this press release as it relates to the mineral resource estimate.

Mr. Randy Ruff, P.Geo, an employee of Euro Sun and a qualified persons as defined by NI 43-101 has also reviewed and approved the contents of this press release relating to the mineral resource estimation.

Caution regarding forward-looking information:

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, without limitation, statements regarding the PEA and the 2019 Resource Estimate and the summary information extracted therefrom. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks inherent in the mining industry and risks described in the public disclosure of the Company which is available under the profile of the Company on SEDAR at www.sedar.com and on the Company's website at www.eurosunmining.com. Although the Company has attempted to

identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

The TSX does not accept responsibility for the adequacy or accuracy of this news release.