

# Coro Mining positioning for a copper comeback

As the copper price pushes ever-closer to the \$3/lb mark amid increasing demand, stricter regulatory measures and the associated supply deficit, Coro Mining Corp. (TSX: COP) (“Coro”) is a junior in an eminent position to benefit. Having one project already producing, one in development and two in exploration means the company can immediately cash-in on the escalating value of one the world’s most-used metals and put the cash-flow straight to work.

Almost a third of the Earth’s copper reserves are in Chile, exactly where Coro focus their efforts. Since it supplies the lion’s share of global copper, the nation is known to be mining-friendly with a defined process for project approval and a long history of foreign investment. Coro’s producing resource in Chile, SCM Berta, is currently undergoing expansion of production capacity from the current 3,000 tonnes per year to 4,800 tonnes per year of copper cathode. Copper cathode, the ‘plates’ of 99.99% pure copper that are output from the plant may be sold-on immediately without further refining, and with average cash operating costs of \$1.59/lb Cu, the current price trend is set to provide a serious boon to the company and further the development of its other resources.

Coro is rapidly developing its Marimarca project, located in a belt of Mesozoic age copper deposits known as the Coastal Copper Belt, 14km from highway and powerline, with its maiden NI43-101 resource estimate and baseline environmental study announced earlier this year. The company then acquired The Ivan SXEW (Solvent Extraction Electrowinning) in June 2017 and have even initiated the Feasibility Study. The Ivan plant has a capacity to produce 10,000 tonnes per year of copper cathode, and will process ore from the Marimarca copper oxide

project once in production.

The U.S. Geological Survey (USGS) estimates that every American born in 2008 will use 1,309 pounds of copper during their lifetime for necessities, lifestyles and health. Due to its outstanding thermal and electrical properties and malleability, the metal has been in constant use for over 10,000 years and is now featured in pretty much every electrical device on the planet. In fact, copper is second only to silver in terms of electrical conductivity, and so it occupies a permanent place in the modern home by virtue of its relative abundance.

Copper wiring is an absolute necessity in renewables, too; transformers, motors, batteries, circuit boards and even the most efficient solar panels all depend on copper to function. An electric vehicle requires 2-3 times more copper than a conventional dinosaur-fueled car, and an electric-hybrid bus can consume more than 10 times this figure. Presently, reserves are in decline as demand begins to improve around the world, and China's recent suggestion that they will ban the import of low-grade scrap metal by the end of 2018 has seen many hedge managers extend their positions on copper futures.

Coro has already achieved a considerable amount, certainly enough for the team to be recognised as more-than-capable of bringing projects to term, and the speed at which their Chilean developments are moving these days is, for me, a major confidence marker in the future of the company. Any kind of construction is guaranteed to create demand for copper, and combined with the booming electric vehicle market, Coro should look forward a rewarding few years indeed.

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# **Ecclestone on 'why Chile', copper 'looking firm' and Coro**

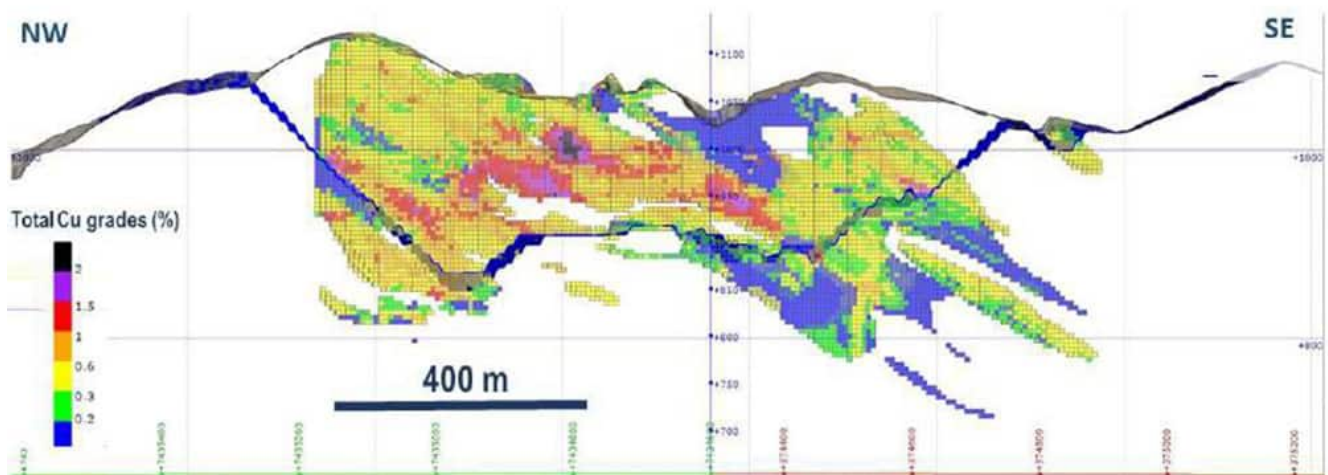
The key mantra to remember with Coro Mining Corp. (TSX: COP) is its "pairings". These are the symbiotic relationships between a particular mine and its processing plant. In the case of Coro the pairings are Berta/Nora and Marimaca/Ivan. The first pairing is up and running and the second one is in the process of being moulded together. There have been several developments with both combinations in recent months that are worthy of being revisited.

## **Marimaca/Ivan**

This is the project that is most formative at this juncture. Earlier this month the company announced that it had signed the purchase agreement for the acquisition of Minera Rayrock Ltda ("Rayrock"), a Chilean subsidiary of Compañía Minera Milpo S.A.A., a major Peruvian mining company, which owns the Ivan SXEW (solvent extraction & electrowinning) processing plant, located 18km south of the Coro's Marimaca project. The Ivan plant, with installed capacity of 10,000 tonne per year copper cathode, has been on care and maintenance for the past five years and has been maintained in good condition which prompts Coro to believe it could be put back into production in a reasonable time and for a reasonable cost.

The completion of the Rayrock purchase enables Coro to accelerate production from the Marimaca project. Below can be seen a cross section of the proposed pit at Marimaca.

**MARIMACA PROJECT – SECTION NW 400  
LOOKING NORTH-EAST**



Back in January the company published a maiden resource on the Marimaca property. The estimate was completed at a variety of cut off grades by NCL Ingeniería y Construcción S.A. of Santiago, Chile.

In order to demonstrate the potential economic viability of the Marimaca resource, some Whittle pit optimizations were completed utilizing appropriate operating costs, results obtained from preliminary metallurgical test work, and a variety of copper prices. The resources were estimated only for oxide and mixed copper mineralization which could be processed by heap leaching (HL) and run of mine (ROM) leaching to produce cathode copper. It should be noted that no resources were estimated for enriched and primary sulphide mineralization, occurring in deeper portions of the deposit.

Using a \$3.20/lb long term copper price, the in-pit resource (all of which is heap-leachable material) was estimated:

Marimaca Resource													
	Measured				Indicated			Meas + Ind			Inferred		
	Cut Off	kt	%CuT	%CuS	kt	%CuT	%CuS	kt	%CuT	%CuS	kt	%CuT	%CuS
Total Resource	0.2	5,453	0.74	0.58	16,833	0.65	0.48	22,286	0.67	0.51	26,979	0.49	0.35
Pit Constrained	0.2	5,301	0.74	0.59	16,198	0.66	0.49	21,499	0.68	0.51	18,769	0.53	0.39
Contained Cu	kt CuT	kt CuS		kt CuT	kt CuS		kt CuT	kt CuS		kt CuT	kt CuS		
	39.4	31.0		106.1	79.4		145.5	110.4		99.3	72.8		

One “problem” we have highlighted in the past is that the pit resource is constrained by the Marimaca property limits, such that all blocks occurring outside the property were assigned a 0% CuT grade. However the Chilean mining code permits sufficient push back of pit walls onto adjacent properties to allow for the extraction of resources present on the property. The pit contains a total of 54,436kt of waste, including mineralized blocks that did not fall into a resource category; low grade ROM material; and blocks outside the property limits, for an overall strip ratio of 1.31:1.

This purchase of Rayrock includes 23,748 hectares of mining claims extending between Marimaca and Ivan. Rayrock also owns 14,505 hectares of mining claims (called the Sierra Medina claims) located some 42km north east from Ivan and 30km east from Marimaca, which are also included in this purchase.

Milpo has retained a 2% NSR on all production from the Rayrock mineral properties. Coro may acquire half the NSR for US\$2m at any time and will have a right of first refusal over the NSR.

## **Berta/Nora**

Last month the company confirmed that the production capacity of the Nora SX/EW plant had been expanded from 3,000 tpa of copper cathode (6.6 million lbs) to 4,800 tpa (10.6 million lbs). The installation of the crusher, agglomerator and heap leach pads at the Berta mine site were completed and site ancillary works were nearing completion. Commissioning of the plant was expected to take place shortly and the operation would then commence ramping up to production of 400 tonnes per month of copper cathode (880,000 lbs).

In the last week the company began trucking concentrated pregnant leach solution (PLS) from the leach pads at the Berta mine to the Nora plant. Achieving commercial production at SCM Berta was supposed to be several month ago and the delay has effected sentiment, however this issue will shortly be fading

into distant memory.

## **Conclusion**

Chile seems to be a hot-spot of the new iconoclasm with Coro Mining and Amerigo Resources as prime examples of throwing away the rule books that constrained miners to the tried and true ways that reigned pre-2008. In Amerigo's case it's a concentration upon harvesting Codelco's old tailings piles for their contained copper (and moly) content while with Coro it's taking on processing plants and older mines and recombining them into economically logical structures that mean **one plus one equals three** due to the synergies gained. Combining assets that, standalone, have little future into a flowsheet that utilizes existing infrastructure at a low acquisition and refurbishment cost makes eminent sense.

Copper is looking firm these days. Tepid economic news might knock it back slightly then it bounces back up again. It has more of a look of a metal wanting to go up than one wanting to go down. Therefore for Coro its right time and right metal. Developments at Berta/Nora imply that commercial production is imminent. The stock price has retreated in 2017 due to the delay in declaring commercial production but that issue shall shortly be overcome. Bringing Marimaca/Ivan on-stream will hopefully be achieved through cashflows from the initial revenues from Berta/Nora. At that point that this realization hits the investing public then Coro will be set for a major rerating.