

Anglesey Mining PLC

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Anglesey Mining secures agreement for design, engineering and optimisation studies at Parys Mountain

Anglesey Mining plc (LON:AYM) has entered into an agreement with QME Mining Technical Services under the terms of which QME will carry out an agreed programme of design, engineering and optimisation studies relating to the future development of the Parys Mountain copper and zinc project in Anglesey.

There will be no cost to Anglesey.

READ: Anglesey Mining moving ahead nicely at Parys Mountain
Over the period to the end of June 2019, QME will carry out a detailed review of the various development and mining alternatives for Parys Mountain.

The primary objective is to determine the optimum production plan for Parys Mountain, utilising all available and potential means of accessing both the indicated resources and inferred resources, at various cut-off grades.

"We consider this to be a very important and positive step forward in the development of the Parys Mountain mine," said Anglesey chief executive Bill Hooley.

"QME is experienced in underground mine development and has developed and recruited the necessary skills in mine planning to deliver local and relevant underground mining expertise to Parys Mountain that will assist Anglesey to move forward with the development of the Parys Mountain project at no direct cash cost to Anglesey or dilution of its shareholders."

Anglesey has agreed to grant QME various rights and options relating to the future development of Parys Mountain.

On completion of the optimisation study and delivery to AYM of the results thereof, Anglesey will award QME, on an exclusive basis, contracts for the development of the decline and underground mine development, including rehabilitation of the shaft.

In addition, Anglesey will grant to QME the right and option, upon completion of a pre-feasibility study, to undertake the mine development component of the Parys Mountain project, to the point of commencement of production, in consideration of which QME would earn a 30% undivided joint venture interest in the Parys Mountain project.

The work follows on from the July scoping study on Parys Mountain prepared by Micon International Limited (Micon) and Fairport Engineering Ltd.

The scoping study envisages a mining rate of 1,000 tonnes per day to produce an average annual output of 14,000

Price: 2.5p

Market Cap: £4.67M

1 Year Share Price Graph



June 2018 December 2018 June 2019

Share Information

Code: AYM

Listing: LSE

52 week High Low
3.09p 1.18p

Sector: General Mining - Iron Ore and Bauxite

Website: www.angleseymining.co.uk

Company Synopsis:

100% of Parys Mountain in Wales. 6% interest in Grangesberg Iron in Sweden. 11.9% of Labrador Iron Mines in Canada

□ Anglesey is carrying out development and exploration work at its 100% owned Parys Mountain zinc-copper-lead deposit in North Wales, UK with a reported resource of 2.1 million tonnes at 6.9% combined base metals in the indicated category and 4.1 million tonnes at 5.

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tonnes of zinc concentrate at 57% zinc, 7,200 tonnes of lead concentrate at 52% lead, and 4,000 tonnes of copper concentrate at 25% copper, over an initial mine life of eight years.

However, the study was based on mining only 2.1 million tonnes of indicated resources reported by Micon in 2012. There remain a further 4.1m tonnes of inferred resources which were not incorporated into the scoping study. Development of even half of these inferred resources would significantly increase the projected life of the Parys Mountain mine with potential positive outcomes on the project economics.

QME will examine a revised mine model with the objective of incorporating some of the inferred resources, including part of the higher-grade Engine Zone inferred resources, into the earlier years of the mine plan with the intention of bringing forward cash flows and increasing the life of the mine to at least 10 years.

The QME review will examine whether different approaches to accessing the orebodies, particularly by early dewatering, rehabilitation and recommissioning of the Morris Shaft, could provide early access to the higher-grade Engine Zone Resources.

This should have a beneficial effect upon both the net present value of the operation and the pay-back period.

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