



MiningNewsPremium.net

Authoritative, insightful, timely

MiningNewsPremium.net

## Mayoko a \$US1.1bn earner: DMC

Tuesday, 24 June 2008

**PERTH-based DMC Mining has released the results of a scoping study on the Mayoko iron ore project in the Republic of Congo, saying the preliminary economics "appear attractive" with a potential revenue of \$US1.1 billion (\$A1.15 billion).**

Stage 1 of the project will produce 3 million tonnes per annum direct shipping ore, ramping up to 11Mtpa within four years.

The study found the capital cost of a 3Mtpa operation to be \$US198 million, with an additional \$US288 million required to achieve an 11Mtpa operation.



Operating costs were estimated at \$US22 per tonne for an 11Mtpa operation.

Based on the 11Mtpa operation, the study found the potential revenue to be \$US1.1 billion, while the 3Mt stage 1 phase of operations would earn the company a handy \$US302 million.

The study, completed by GRD Minproc, is based on Mayoko's 33Mt inferred resource estimate.

The preliminary mine design modelling was based on a 55% iron run of mine product and a 50% iron cut-off grade.

The study found no pre-stripping would be required and the mine would have a low to average strip ratio of 0.51 and a high conversion rate, with 96% of the resource falling within the optimised pit shell.

While the study found that the iron ore grade is lower than typical for DSO and the impurity levels are quite high, the ore grade may be upgraded by blending, selective mining or beneficiation during processing.

An existing rail system in the region is capable of transporting 11Mtpa with only minor upgrades required.

"The Mayoko iron ore project is proving to be a low-cost DSO deposit with robust economics and a very real path to production," DMC managing director David Sumich said.

"Given the low risk jurisdiction, supportive government and infrastructure largely in place, DMC's intention is to bring the project into production as quickly as possible."

The company said a pre-feasibility study would start immediately, which includes further drilling to begin in August, metallurgical studies and seeking the necessary government agreements and regulatory approvals.

DMC shares closed at 83c yesterday and remain unchanged this morning.

© Aspermont Limited

Aspermont Limited

Street Address 613-619 Wellington Street, Perth WA Australia 6000

Postal Address PO Box 78, Leederville, WA Australia 6902

Head Office Tel +61 8 6263 9100 Head Office Fax +61 8 6263 9148

e-mail contact@aspermont.com website www.aspermont.com ABN 66 000 375 048