

Friedland: Get 'caviar' copper cons while you can

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Paul Harris In Santiago, Chile

Robert Friedland, executive co-chairman of Ivanhoe Mines (TSX:IVN), has laid down the gauntlet to the world's copper concentrate buyers at the CRU World Copper Conference in Santiago, Chile. Purchase off-take from the Kamo-a-Kakula development project in the Democratic Republic of the Congo while you can!

The DRC project is set to produce extremely high-grade concentrate containing 57% copper with essentially zero arsenic when the 6 million tonnes per year Kakula mine comes on stream, possibly from early 2021.

"This is the beluga caviar of copper concentrates so get them while you can before we build a direct to blister smelter," he said.

Kakula will have an average grade of 6.4% copper and production of 291,000tpy at a C1 cash cost of US\$46c. It has a US\$1.1 billion capex and a 25-year mine life. Friedland said it would be the first of several mine developments, the majority funded by cash flow, which would eventually see Kamo-a-Kakula produce over 700,000tpy of copper. "That is more than 700,000tpy of copper from a \$1.1 billion initial investment, and there is not a snowball's reason in hell why that cannot be doubled. At Oyu Tolgoi, the total investment is \$14 billion and the ultimate investment will be north of \$25 billion," he commented.

The Kamo-a-Kakula orebody is more than 60km long and open in every direction, making it the fourth largest copper discovery ever. Recent drill intercepts include one of 22.3m grading 13.05% copper.

Friedland, in full-on self-promotion mode, said the copper sector in Chile was spending more and more power to grind lower and lower grade rock from porphyry deposits. "This is not the way to go when the industry can go to DRC and Mongolia where there are higher grade deposits," he said.