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Canadian Copper – New Brunswick’s Largest Undeveloped Open Pit VMS Deposit with Potential for Near-Term Production

Canadian Copper (CCI.CSE) is a copper-focused exploration company with assets located in the prolific Bathurst Mining Camp, New Brunswick, Canada. Bathurst is the third largest volcanogenic massive sulphide (VMS) camp in the world containing over 475 million tonnes of copper-zinc-lead mineralisation.

Prolific Bathurst Camp

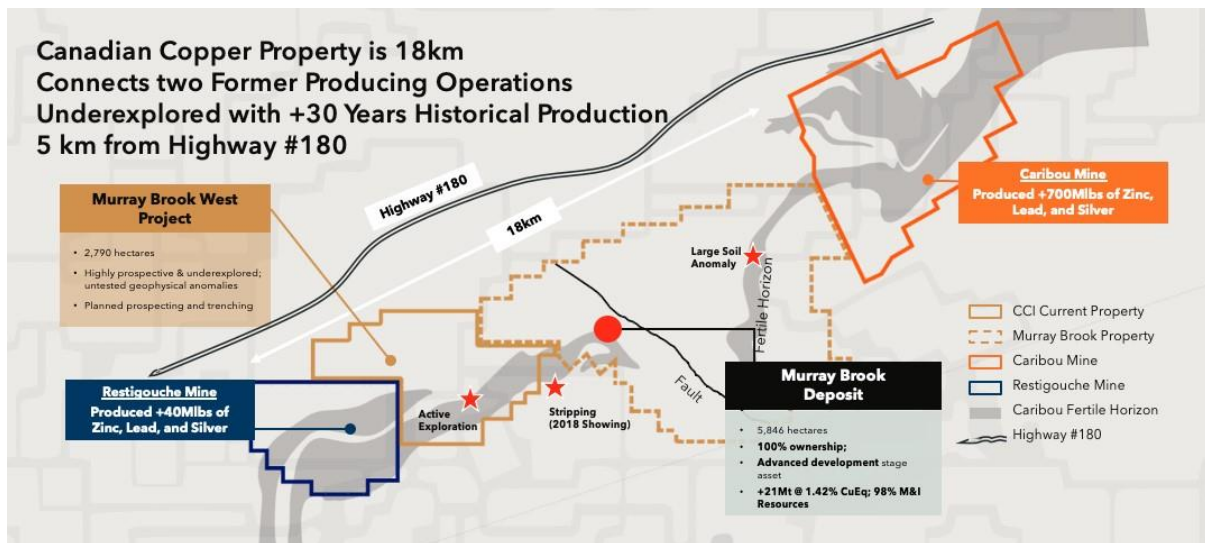
The Bathurst Camp contains over 46 known VMS deposits, including the World-Famous Brunswick No. 12, which had reserves of 229 million tons and was once the world’s largest underground zinc-lead mine, mined for over 49 years.

Recent Acquisitions, Divestments, and Offtake Agreement: Now Focused on one Advanced Project Beside a Milling Complex

Canadian Copper has just completed several corporate activities that included the 100% purchase of a 21 million tonne (670-million-pound CuEq) advanced resource, signed an off-take agreement with Ocean Partners, and the divestment of non-core projects for up to C\$2.1 million in cash and shares. Canadian Copper’s strategic landholding now covers an area of 86 km², known as the Murray Brook Project.

The Murray Brook Project is comprised of two 100% owned contiguous exploration licenses that cover over 18 km of prospective Spruce Lake Formation/Mount Brittain Formation and are sandwiched between two former producing VMS mines, the Caribou Mine and the Restigouche Mine (Figure 1).

Figure 1: Strategic Location of the Murray Brook Project

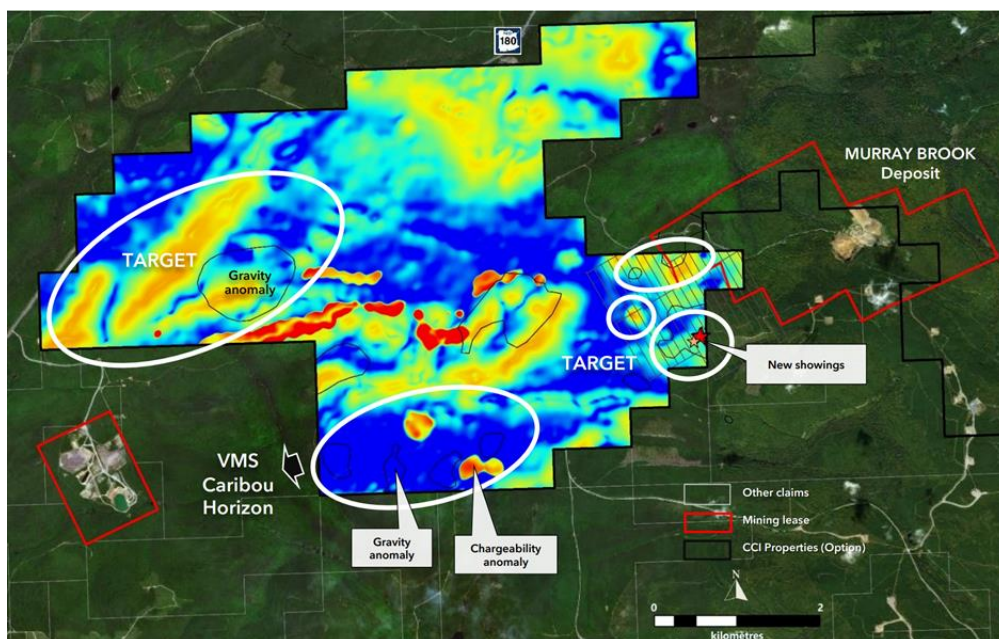


Source: Canadian Copper

Largest Undeveloped VMS Deposit in New Brunswick

The Murray Brook Deposit is the largest undeveloped open pit VMS deposit in New Brunswick and contains numerous exploration targets based on gravity, changeability, and soil sampling anomalies (Figure 2). The deposit remains open to the west, east, and at depth. To date, most of the Murray Brook Deposit exploration has been focused on open pit resource delineation within 350 meters from the surface, where many deposits in the region extend beyond 1,000 meters.

Figure 2: Exploration Targets at the Murray Brook Project



Source: Canadian Copper

The Murray Brook Deposit has a total measured and indicated NI-43 101 compliant mineral resource estimate in sulphide mineralisation of 21.1 million tonnes at a copper equivalent grade of 1.42% (CuEq), or 4.77% zinc equivalent grade (ZnEq.) assuming zero payable gold in the concentrate. This remains a possible opportunity for the asset.

Open Pit Potential

Much of the overburden at the Murray Brook Deposit has already been pre-stripped due to oxide gold mining on the gossan between 1989 and 1992. There remains a small oxide and transition zone down to a depth of c. 15-20 meters, and the sulphide portion of the deposit then extends to a depth of between 300-350 meters below the surface, which should easily be accessible to open pit mining techniques.

10km to Existing Processing Plant

What makes the Murray Brook Deposits particularly exciting is its strategic location, just c. 10km southwest of the 11.7 million tonnes at 10.26% ZnEq. (M&I) Caribou Mine. The underground Caribou Mine is currently on care and maintenance, with all milling equipment in place, and is believed to be in the process of being brought out of receivership near-term.

The Caribou Mine is an underground zinc-lead operation that historically struggled with not being able to open enough drives to cope with variability in ore feed. Historically, operators of the Caribou Mine were supplementing its underground feed by toll-treating zinc-lead ore from the Restigouche open pit mine, which has a remaining resource of 1.1 million tonnes at 11.22% Zn Eq (M&I). This ore was then transported 21km along Highway 180 to Caribou for processing.

The Murray Brook Deposit is located 50% closer to the Caribou Mine than the Restigouche Mine, is also connected to Highway 180, and its open-pitable nature means the ore from Murray Brooke could feasibly be treated at the Caribou plant. This would allow the generation of revenue from Murray Brooke without incurring the capital cost of constructing a new plant, tailings dam, and associated infrastructure.

Positive Metallurgical Results

Metallurgical studies completed in 2019 have already demonstrated that the copper-lead-zinc ore from Murray Brooke could be treated at the Caribou plant using the existing processing flowsheet, to produce copper and lead-zinc concentrates that would contain some payable silver values.

Caribou Combination makes sense

While there can be no guarantee of a toll treatment or a potential corporate transaction, it would appear to make logical sense for both the potential purchaser of Caribou and Canadian Copper to collaborate. This would leverage the considerable as-built

infrastructure and create a much more robust and longer life of mine for any restart of the Caribou Mine. A win win.

By working with the potential purchaser of Caribou, Canadian Copper could reduce its development timetable by 1-2 years, substantially reduce its capital cost, and massively increase its economic returns.

Conclusion

Canadian Copper's recent entrance into the Bathurst Camp coupled with its opportunistic corporate activities creates an exciting opportunity for investors looking to gain a low-geopolitical risk exposure to copper market equities.

A potential combination with the Caribou milling facility, would transform the value of both assets and create a long-term mining operation, with a low capital cost and high economic return.

Canadian Copper has already secured an offtake agreement for one-third of copper concentrate production from the Murray Brook deposit with Ocean Partners UK Ltd, who also recognised the value potential of the regional consolidation opportunity.

Unlike most mining juniors, Canadian Copper's share price has been on a positive trajectory since the start of the year rising 11% to date. Management interests are aligned with shareholders with the CEO, Simon Quick, holding 4% of the company. This year could prove to be transformational for the company and with a market cap of C\$8.6 million the company looks good value.

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