

**AIM: EMED**

**TSX: EMD**

**18 February 2013**

### **EMED Mining has completed an updated NI 43-101 Technical Report**

EMED Mining Public Limited (the "Company" or "EMED Mining"), the Europe-based minerals development and exploration company, is pleased to announce that independent technical expert Behre Dolbear has completed an updated NI 43-101 Technical Report on the Company's Rio Tinto Copper Project.

The report entitled "NI 43-101 Technical Report on EMED's Rio Tinto Copper Project, Huelva Province, Spain dated February 15, 2013" (the "NI 43-101 Report") endorsed the Company's planned base case annual production of existing ore reserves at 9.0Mtpa over 14 years from the Cerro Colorado deposit, being the first mine EMED Mining plans to bring into production. Behre Dolbear also noted that there is exploration potential peripheral to the Cerro Colorado deposit which is open to the east and at depth. This potentially provides scope to grow the resource and expand operations including the development of other mines within the existing permit areas.

Behre Dolbear supports the decision that the Company proceed with the restart of the Rio Tinto Copper Project as soon as the requisite project approvals, permits and project financing have been secured on the basis that in their view the project is viable and appears to be robust and well analysed in geological, engineering and financial terms.

Highlights from the NI 43-101 Report include EMED's redevelopment plan for the Rio Tinto Copper Project which includes processing 9 Mt of ore per year to produce some 37,000 t of copper-in-concentrate, based on the following assumptions:

- An average waste-to-ore ratio of about 1.1:1;
- Employment of 400 to 450 employees and contractors at full production;
- Potential to extend the 14-year mine life by conversion of known mineral resources to reserves;
- Pre-production capital cost estimates of approximately \$200M, pre-production escrow funds of approximately \$29M (for social security environmental and rehabilitation costs) and post start up capital cost estimates of approximately \$75M; and
- Operating Cost estimates over the life of the project:

- \$1,223M for Site Operating Costs
- \$468M for Freight, Selling, Refining and Smelting
- \$171M for Other Cash Operating Costs
- \$148M for Non Operating Costs (acquisition costs)

The project cash flows and return calculations have conservatively deducted project acquisition costs to be paid to the project vendor and marketing agent as well as costs for site development and environmental management

For the base case, which assumes a copper price of \$3.50/lb, pre-tax cash flows would pay back the Project's capital costs by the end of Year 4. After taxes and after deducting the costs of project acquisition and closure, the net cash flows total \$1.138 billion and generate an NPV of \$427M at a 10% discount rate and an IRR of 32%.

The updated NI 43-101 Report has been filed on SEDAR and is available on the Company's website, along with an updated investor presentation. A summary of other principal conclusions and recommendations of Behre Dolbear is as follows:

- The Rio Tinto Copper Project is viable on the basis of parameters described in the NI 43-101 Report, in spite of the substantial increase in the capital cost estimate and environmental costs since the 2010 technical report;
- The financial forecast contains potential operating cost improvements which, although feasible, require verification;
- EMED Mining needs to refine its contingency provision as it completes its bonding and procurement arrangements, to ensure capital adequacy;
- The Project has been well analysed in geological, engineering and financial terms
- A review of the infrastructure and related engineering requirements has identified items which need to be addressed before start-up, but none that involve additional major capital expenditure or obstacles for successful operations;
- The infrastructure and environmental aspects, as discussed in the NI 43-101 Report, are expected to be manageable;
- The preparatory work on restarting the open-pit mine operation and the plans for contract mining appear to be satisfactory;
- EMED Mining's personnel involved in the project are suitable and competent;
- All aspects of Environment, Health and Safety, together with Social and Community Impact have been addressed by EMED Mining with competent personnel;
- The annual rate of 9.0Mtpa should be achieved with a recovery of 85 % to a concentrate grading 21% to 23% Cu, on a dry basis and containing 10% moisture.
- The timetable for this programme is challenging, but appears to be realistic; and
- There is exploration potential peripheral to the Cerro Colorado deposit which is open to the east and at depth:
  - By exploring the full lateral and vertical extent of the mineralisation within the existing Cerro Colorado open pit area;
  - From Cerro Colorado West to Filon Sur West;
  - At Cerro Colorado, west of the existing highway, notably the San Dionisio deposit under the Corta Atalya open pit;

- From Cerro Colorado East towards San Antonio; and
- At the Southern waste dump.

Behre Dolbear also recommended:

- Additional geological modelling to better understand the controls on mineralisation including the silver;
- Further delineation drilling to determine the limits of the orebody, both laterally and at depth;
- Additional drilling to upgrade the Inferred Resource and Indicated Resource material to Measured Resource category;
- Evaluation of nearby deposits as satellite operations; and
- Evaluation of the retreatment of the historical gossan tailings.

**Harry Anagnostaras Adams, Managing Director of EMED Mining, commented:** "The updated NI 43-101 is another important step in our move towards production. We are excited about re-establishing Rio Tinto as a mining field with initial production to commence at Cerro Colorado. There is huge scope to create a large scale operation and we are delighted that this independent technical report has validated our plans."

The scientific and technical information in this press release has been reviewed and approved by R. Cunneen, Group Exploration Manager, who is a "qualified person" within the meaning of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

#### Enquiries

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For further information on the Company's activities, visit [www.emed-mining.com](http://www.emed-mining.com) or [www.emed.tv](http://www.emed.tv)

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timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Accordingly, readers should not place undue reliance on forward looking statements.

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