

ATICO MINING

COPPER AND GOLD FROM COLOMBIA



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Atico Mining is single-mindedly preparing to rejuvenate the senescent El Roble mine and make it perform better than ever it did in its prime

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El Roble, Surface drill program



Based in Vancouver, Atico Mining Corporation focuses on finding and developing mid-size high-grade copper-gold deposits in Latin America. The company was floated on the Toronto Stock Exchange just over a year ago by a team that has long and successful experience in the region and includes several members of the Ganoza family which is very much involved in Fortuna Silver which has operations in Mexico as well as their home nation Peru.

Atico, however is currently taken up with just one project, El Roble located near to the town of El Carmen de Atrato in the Chocó department of Colombia. There is already a functioning mine there, privately run by local company Minera El Roble which over the last couple of decades has mined 1.5 million tonnes of ore with an average head grade of 2.5 percent copper and 2.5 grams per tonne of gold. Atico has an option to purchase a 90 percent interest in this operation, and is hoping to exercise that option during the course of this year, taking over the current mining operation plus the surrounding 6,600 hectares in mining claims.

The current owner is happy to relinquish its interest since the levels now being mined are nearly exhausted, and to allow Atico to explore the future possibilities of the mine and its surrounding areas. And these are considerable, says CEO Fernando Ganoza. El Roble is a volcanogenic massive sulphide

(VMS) deposit, the only one currently being worked in Colombia but similar to very productive sites of a similar nature in Canada and elsewhere in the world. “VMS deposits often come in packs, or clusters,” he explains. “The fact that we are in an area of 100 square kilometres, where five or six other VMSs are being explored in a 100 kilometre radius indicates there is potential for this area to be like those in Canada, Peru and other VMS districts. But here the percentage of sulphide in this mineralisation could be very high, as high as 70 or 80 percent. What you find in the El Roble is more chalcopyrite, carrying 30 percent copper, hence the high copper grades.”

**1.5
MILLION TONNES**
.....
Ore already extracted
from El Roble

More immediately, though, Atico has concluded that another level containing at least as much ore as has already been extracted over the lifetime of El Roble is lying up to 300 metres below the existing mine.

“There are two things that excite us about El Roble,” Ganoza continues. “One is the existing mine, which we will continue to work, along with the fact we have found these very high grade resources below the mine. That creates the perfect opportunity to combine an ongoing operation with newly-found resources that we can take advantage of. At the same time we are excited about the prospect of finding additional VMSs in the surrounding land package. These can then be developed and fed to the mill and processing facility that is already operating.”



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The existing mill has daily capacity of 400 tonnes. Atico will need to grow this capacity. “The first expansion will be relatively small – a 40 to 50 percent increase to maybe 600 tpd. At the same time we will be optimizing the operation in terms of productivity. Right now the throughput is 350, and we want to take it up to 600 tonnes.”

So the current infrastructure will be retained and improved, but the deeper levels will be accessed with different infrastructure, designed from the outset to support throughput of up to 600 tpd. “We will be trucking ore from inside the mine, which means you have to have another dimension of tunnelling.” This will be a much more sophisticated operation than the existing one, which uses LHD (load-haul-dump) equipment. However the new stopes will use mechanised cut-and-fill methods.

Modern mining, he hopes, will address one anomaly that has shown up in the mine, which has been producing at a grade lower than the historical resource that Kennecott defined

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El Roble Mine, Flotation Circuit



El Roble Mine, Colombia

back in the 1980s at 4.8 percent copper and 3.2 g/t gold. Actual yields have come in at 2.5 percent and 2.5 g/t respectively, but this is probably explained simply by dilution: too much extraneous rock is getting mixed in with the extracted ore. The new El Roble will be better equipped to deliver the high grades the geologists are finding.

However the existing infrastructure at the level currently being mined – called the 2000 level because it is 2,000 metres

above sea level – can be used productively in the new 1800 level. The shafts can be used to bring additional access points into the mine, bring in services like electricity, water and air, and provide alternative safety. “We will add a lot of years to the life of the mine with these new resources, but there needed to be investment to reach these resources and mine them efficiently,” he summarises. “The current owner doesn’t want to make that investment, and lacks

the sophistication it needs, which is why the association with us makes sense.”

Atico’s directors are from South America and are here for the long term. Colombia has become a lot more secure in the last decade, though in its 22 years of operation El Roble, on the edge of its most stable province Antioquia, never experienced any problems. However El Carmen de Atrato has become very dependent on El Roble, with 50 percent of its economic activity directly related to the mine. “Our vision for this property is that it will become a much bigger operation - we believe this could be a very important mining centre. But mines have a finite life and we worry that El Carmen de Atrato’s dependence will only increase, so we need to do everything in our power to mitigate that.”

The idea is to make El Carmen de Atrato

self-sufficient by the time the mine closes. Atico Mining, he reveals, as already knocking on the doors of government departments, local authorities and NGOs to start schemes to develop local agricultural, engineering and service businesses that can take over as an alternative to El Roble, which already employs 35 local people in connection with its ongoing surveying and drilling work. But for now Fernando Ganoza’s energy is completely taken up with this year’s game-changers for Atico – purchasing the mine and getting the mill in shape to double its current throughput. **BE**

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