

Chimata advancing quickly toward cash flow on 26.3 million t 0.58% Li₂O Indicated Resource stockpiled in Zimbabwe

Phase 2 production for Chimata Gold Corp. (CSE:CAT) (Frankfurt: 8CH) is expected to yield production of ~169,000 tonnes p.a. of 6% Li₂O, do the math at US\$800/t

NEW YORK, NY, UNITED STATES, October 5, 2018 /EINPresswire.com/ -- Chimata Gold Corp. (CSE: CAT) (Frankfurt: 8CH) is a Canadian-based mining company on a pathway to becoming a cash-flow powerhouse in Africa as it advances toward production a Lithium-rich spodumene deposit from the tailings dump of the shuttered Kamativi tin mine in Zimbabwe which operated for several decades (from 1938 to 1994 -- back then it was not known Li would

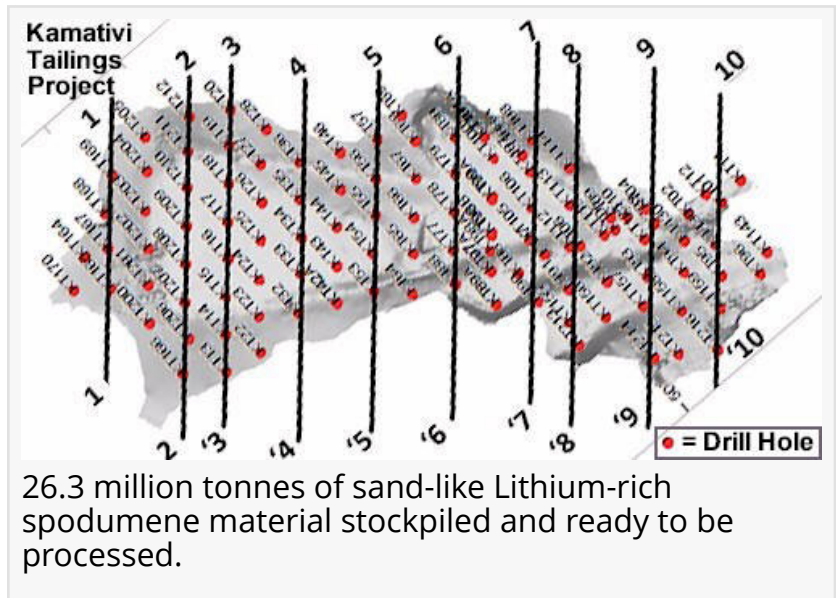
become so valuable). Located ~185 km east-south-east of Victoria Falls, the deposit sits at surface as a remarkable tertiary-ground stockpile, hosting a maiden Mineral Resource of 26,320,000 tonnes Indicated at 0.58% Li₂O, measuring ~30 m high, 1.5 km long, and 700 m wide, already mined and crushed to the right size, ready to be put through the plant. Quick to

production, low capex (to be financed nearly entirely by offtake), with internal estimates showing robust high-margin economics taking shape -- the share price of CAT.C is apt to rise dramatically near-term as the reality and magnitude of what the Company possesses becomes better understood by the marketplace.

Chimata is the subject of a Mining MarketWatch Journal review. Full copy of the Mining Journal Review may be viewed at <http://miningmarketwatch.net/cat.htm> online.

Production will be ramped-up/scaled-in phases, with successive phases leapfrogging off the prior in order to

avoid share dilution as the Company makes a name for itself. Starting as early as Q2-2019 Chimata's new Phase 1 Dense Media Separation (DMS) plant could be operational and generating revenue, producing 6% Li₂O (a saleable industry standard concentrate which currently fetches over US\$800/t), with an anticipated Phase 1 production capacity of ~55,000 tonnes per annum (tpa) of concentrate. The Company is targeting production costs of under US\$200/t of concentrate produced, low cost OPEX is estimated due to nature of tailings material. Concentrate will be exported via road and rail. Chimata is able to process material in Phase 1 with just the DMS Plant alone (without flotation) by screening off material at 0.5 mm, as ~50% of



26.3 million tonnes of sand-like Lithium-rich spodumene material stockpiled and ready to be processed.

“

It appears this will shake-out in excess of US\$300 million over 10 years coming to Chimata after splits and after taxes to the Government at the project level from this one project alone.”

Mining MarketWatch Journal

the material is >0.5 mm, the balance will be stockpiled for Phase 2. Chimata is currently entertaining offtake term sheet offers – it's only a question of who they pick now. The capex of Phase 1 for the company to get into production is ~US\$10M, of which it is possible to see ~90% covered via limited offtake debt that is paid back through production.

Phase 2, with capex of ~US\$33M, will see a full-scale 400 tonnes per hour (tph) DMS and flotation plant in operation, and is expected to yield production of ~169,000 tonnes p.a. of 6% Li₂O. The PEA is not finished yet, however according to our math it appears this will shake-out in excess of US\$300 million over 10 years coming to Chimata after splits and after taxes to the Government at the project level from this one project alone.

Bulk sample underway: On September 18, 2018 Chimata announced that it has commenced a Dense Media Separation Metallurgical Test Work scoping program on a 7.5 tonne bulk sample grading 0.88% Li₂O generated from the Kamativi Tailings Lithium Project. The sample were collected from a series of 10 pits excavated from an area within the eastern portion of the historical Tailings Storage Facility. Processing will take place at Mintek Laboratories, Mintek is the national mineral research organisation for South Africa. MinMet Projects (Pty) Ltd. and Cronimet Mining Processing SA (Pty) Ltd. have been appointed as Metallurgical and Mineral Processing consultants to provide advisory services and oversight during the test work program. Results from the program are expected to be finalised by the end of October. The test work program consists of the following stages: 1) Head Feed Classification and Bulk Feed Screening, 2) Cross Flow Classifier Test Work, 3) Pilot Scale DMS Test Work, 4) Magnetic Separation Test Work, and 5) Concentrate Production. Upon success of the test work, Chimata will engage MinMet for the design, engineering and construction of a Phase 1 DMS Plant. The area of the Kamativi deposit that the bulk sample has been taken from is running 0.88% Li₂O, which is ~50% higher than the average grade of the deposit. There is ~2 million to 3 million tonnes of that type of higher-grade material in that section which Chimata can run on for a couple of years through the DMS plant alone and reap some quality returns -- an ideal starting area for Phase 1.

Kamativi Project ownership (60% Chimata/40% the Government): The Kamativi Lithium Project is 60% owned by a privately held Mauritius corporation called the 'Zimbabwe Lithium Company' (ZIM) which has exclusive development rights, Chimata is acquiring 100% of ZIM as a wholly-owned subsidiary, the other 40% of the project is owned by Kamativi Tin Mines (which is a subsidiary of Zimbabwe Mining Development Corporation).

Chimata's coming new share structure: Terms of the ZIM acquisition may be viewed here. Essentially the management group of ZIM is vending into Chimata in exchange for becoming sizeable shareholders of Chimata. The bottom line after all is 100% transacted and accounted for, we calculate the new shares outstanding (and fully diluted) for CAT.C will be ~300M. That figure is expected to see the project into significant sustainable Phase 1 production cash-flow. Near-term CAT.C only needs to raise ~\$2 million in equity and be positioned to access ~\$10 million of offtake debt that will take the Company to Phase 1 revenue generation.

Full copy of the Mining Journal Review may be viewed at <http://miningmarketwatch.net/cat.htm> online.

Content herein is for information purposes and is not a solicitation to buy or sell any of the securities mentioned.

James O'Rourke
Mining MarketWatch Journal
8666209945
[email us here](#)

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact

the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases. © 1995-2018 IPD Group, Inc. All Right Reserved.