



## **Chariot Resources Announces Filing of Mina Justa Definitive Feasibility Study 43-101 Technical Report**

- *DFS identifies opportunities to increase after-tax NPV by US\$54 million, or C\$0.126 per Chariot share, plus*
  - *Potential to extend mine life by up to seven years, plus*
  - *Potential US\$118 million reduction in capital costs*
- (All currency US dollars unless specified)**

Toronto, Ontario June 09, 2009 – Chariot Resources Limited (CHD-TSX) announced the filing of the Definitive Feasibility Study (DFS) 43-101 Technical Report for its 70% owned Mina Justa Project (“the Project”). The Technical Report is available on SEDAR and at [www.chariotresources.com](http://www.chariotresources.com)

The DFS was undertaken by a consortium led by GRD Minproc Limited (GRD Minproc). The Project is designed to process 12Mt/a of oxide ore by crushing, vat leaching, solvent extraction and electrowinning to produce up to 52,000 t/a of cathode copper. The Project will be expanded during operating year 2 (quarter 7) to include a 5 Mt/a concentrator (costed to PFS level) to treat copper sulphide ore underlying the oxide ore in certain portions of the Mina Justa deposit.

The DFS has also identified opportunities for potentially increasing Project Net Present Value (NPV) by in excess of US\$54 million. The specifically costed opportunities identified in the DFS could add an additional C\$0.126 per fully diluted share (converting US\$ to C\$ using the 20 day average Bank of Canada noon spot exchange rate). Chariot had previously estimated that its 70% interest in the capital Project is valued at C\$0.86 per fully diluted share

The opportunities for improved economic outcomes include:

- **Acid port change:** the DFS considers that sulphuric acid will initially be shipped via San Martin port, 250 km by road from site for the first five years of operations, switching to the port to be developed at San Juan de Marcona. There is an opportunity to ship acid via an acid terminal that Naviera Petral S.A. (Petral) is considering for a site it owns on San Nicholas Bay, 30 km from site. Petral estimates possible savings of \$7-8 M per year. The benefit of these savings during the first five years of operation would be to increase the after-tax NPV at 8% by \$13.2 million.

- **Modified terms and conditions for copper concentrate sales contract:** replacing the price-sharing portion of the volume that could be committed with market terms, and also adopting market price participation terms on the market portion, has the effect of increasing the after-tax NPV at 8% by \$40.9 M.
- **Opportunities for capital cost reduction;** capital costs might be reduced by up to 20% (\$118 million) from the following:
  - Limited and variable test data on ore competency and grindability was available for the sulphide plant PFS. Expanding the testwork database may indicate a decrease in ore competency, which would lead to a reduction in size and cost of the comminution circuit.
  - Additional tailings characterization studies are required to investigate if combined tailings deposition will result in non-acid generating tailings. In that case, a simplified tailings deposition system would be possible, which would result in capital, operating and closure cost savings.
  - In the current economic climate, capital costs might be reduced through the inclusion of second-hand or cancelled-order equipment.
- **Additional ore reserve potential:**
  - Additional Whittle runs were performed using the current DFS costs and process recoveries, updating the earlier assumptions on which the DFS mine plan is based. If DFS recoveries and costs are used at the \$1.65/lb Cu price, used in Whittle runs on which the DFS mine plan is based, there is potential to add 1.8 years to the oxide mine life, and for a \$2.00/lb Cu price, up to 4.3 years of oxide mine life. For sulphide ore, using current DFS costs and process recoveries, a \$1.65/lb Cu price adds 4.6 years to the operation of the concentrator, while a \$2.00/lb Cu price adds approximately 6.9 years. Additional reserves have not been determined, but the potential to increase the life of the operation constitutes an obvious opportunity to improve project economics.

“With the completion and filing of the Technical Report, Chariot will focus on the identified project optimization opportunities, including defining the economic benefit which may be derived from undertaking a more comprehensive sulphide only case, and potential capital cost savings,” said Ulli Rath, President and CEO.

“Moreover, independent forecasting of copper prices by Brook Hunt Limited (Brook Hunt), included in the DFS suggests a cyclical price peak in 2016 and 2017, with copper rising to the \$2.40 to \$2.65 per pound range in the Brook Hunt Base Case and \$2.65 to \$2.80 in the Brook Hunt High Case. If Mina Justa is developed as set in the DFS, this cyclical peak would coincide with some of the highest sulphide copper grades in the Mina Justa mine plan. In this event, the weighted average copper prices realized on Mina

Justa production would be considerably higher than the simple average price over the period. For example, using the Brook Hunt Base Case forecast, even though the average copper price over the period 2012 to 2023 is \$1.93 compared to \$2.00 in the DFS case, the after-tax NPV at 8% is \$35.4 M higher than the DFS case. For the Brook Hunt High Case, with an average copper price of \$2.12/lb Cu, the after-tax NPV at 8% is \$143 M higher than the DFS case,” concluded Mr. Rath.

The Definitive Feasibility Study covers the whole Project combining the mine, process plant, metals production facility and associated infrastructural facilities proposed for the Project. The actual DFS will be comprised of 11 volumes and appendices. Project statistics have been updated in the DFS and therefore vary in some cases from those used in Chariot Resources’ April 23, 2009 press release presenting the study highlights; however, the differences are not material.

ON BEHALF OF THE BOARD OF DIRECTORS

"Ulli Rath", President & CEO

CHARIOT RESOURCES LIMITED

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