

New Carolin Gold Announces Positive Preliminary Economic Assessment of the Tailings Reclamation Project

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VANCOUVER, March 14, 2012 - [New Carolin Gold Corp.](#) (TSX VENTURE:LAD) is pleased to announce the results of the Preliminary Economic Assessment (PEA) for the Tailings Reclamation Project at its Ladner Gold Property in British Columbia.

The study recommends that the project be built as a portable mill operation producing a saleable concentrate. The mill will be built using industry standard equipment and processing systems to minimize technical and operational risks.

HIGHLIGHTS

- A projected best case scenario is an estimated NPV (at 5% discount) of \$8,000,000 with an IRR of 35% for a seasonal 60 month project life at a milling rate of 400 tpd, based on a gold price of US\$1,100 per oz and a US\$:CDN\$ exchange rate of 1:1.
- Royalty range of 20 to 30%
- Capital costs are estimated at \$8.3 million +/- 35% in Q4 2011 dollars.
- Life of Mine ("LOM") onsite cash operating costs are estimated at CDN\$3.5 million.
- The project as designed is expected to produce a total of 24,483 ounces of gold contained in concentrate.
- The PEA is based on the NI 43-101 resource study which delineated an Indicated Mineral Resource estimate of 23,700 oz gold in 445,378 tons at a cutoff grade of 1.00 gm/t gold and an Inferred Mineral Resource estimate of 5,000 oz gold in 93,304 tons at a cutoff grade of 1.00 gm/t gold (see press release of November 9, 2011).

The PEA is an important milestone for the Ladner Gold Project for the following reasons:

- Provides early cash flow to the Company,
- Provides more space in the impoundment anticipating startup of the former Carolin Mine,
- Provides a potential byproduct of tailings sands that could be used as borrow material and
- Initiates operational approval necessary for updating permits for the mine.

FINANCIAL VALUATION

The PEA indicates the economic returns from the project justify development of the Tailings Reclamation Project. The financial results of the assessment ("Base Case") were developed using gold commodity price of US \$1,100 per oz and a discount rate of 5.0%. The gold price was considered reasonable given the current industry estimate of USD \$1,100 per oz as a long term price. The gold in concentrate is the realized saleable gold concentrate.

Base Case using USD \$600/oz (gold in concentrate) and exchange rate USD:CDN as 1:1

Initial Capital Investment	CDN \$8,300,000
Payback period	60 months
Mill operation	60 months
IRR	5.20%
NPV (5% discount)	CDN \$50,000
Mill throughput	400 tons per day
Mill feed grade	1.80 gms/ton
Recovery	85%
Tailings Resource	23,700 oz gold 5,000 oz gold

Comparison of alternative scenarios using adjusted "gold in concentrate".

CASE	Gold (USD/oz)	NPV at 5% discount	IRR
Base Case	\$600	\$50,000	5.20%
Scenario 1	\$625	\$450,000	6.90%
Scenario 2	\$1,100	\$8,000,000	35.30%

CAPITAL AND OPERATING COSTS

The total initial capital investment in the project is estimated to be CDN \$8.3 million, which represents the total direct and indirect costs, including associated infrastructure and contingencies based on a 35% margin of error. The Base Case presented in the PEA is designed to allow for the worst case scenario, however it is anticipated that the gold price will be higher and the contingency will be less than 35%.

SENSITIVITY ANALYSIS

The following graphs demonstrate the sensitivity of project economics to changes in gold prices.

To view the graphs please visit the following link:
<http://media3.marketwire.com/docs/NCGraphs314.pdf>

MINERAL RESOURCES

The NI 43-101 resource study delineated an Indicated Mineral Resource estimate of 23,700 oz gold in 445,378 tons at a cutoff grade of 1.00 gm/t gold and an Inferred Mineral Resource estimate of 5,000 oz gold in 93,304 tons at a cutoff grade of 1.00 gm/t gold (see press release of November 9, 2011). Additional resource potential exists as the resource estimate accounts for approximately 60% of the drilled area within the tailings impoundment and additional drilling will be needed to determine the full extent of the gold resource. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 1: CAROLIN TAILINGS - INDICATED RESOURCE

Au Cutoff (g/t)	Tons > Cutoff (tons)	Grade Au (g/t)	Contained Ounces Gold
1.00	445,378	1.83	23,700
1.50	334,529	1.99	19,400
2.00	124,058	2.45	8,900
2.50	39,436	2.96	3,400
3.00	13,531	3.46	1,400
3.50	5,217	3.89	600
4.00	1,772	4.28	200

Table 2: CAROLIN TAILINGS - INFERRED RESOURCE

Au Cutoff (g/t)	Tons> Cutoff (tons)	Grade Au (g/t)	Contained Ounces Gold
1.00	93,304	1.85	5,000
1.50	68,252	2.07	4,100
2.00	40,596	2.28	2,700
2.50	6,217	2.65	500
3.00	261	3.09	20

CIM definitions were followed for Mineral Resources.

Mineral Resources are undiluted.

DEVELOPMENT PLAN

The PEA evaluates the development of the tailings by conventional recovery methods, using slurry pumps and portable processing equipment. The permitted tailings impoundment has been monitored and inspected by independent consulting engineers and is in excellent condition.

The portable plant design is based on a single line flow sheet employing flotation, regrinding, thickening and filtering to produce a concentrate for export averaging 19.0 gm/t gold. The primary and regrind product sizes and flotation parameters were determined by metallurgical test work. While the test work indicates that the concentrate contains some arsenic, a penalty for the arsenic has been taken into account.

Water from the tailings slurry will be reclaimed for use in the milling process, however there will be some excess water discharge. A water treatment plant has been included in the process to ensure that the water quality conforms to all provincial water quality guidelines.

Mine infrastructure includes upgrading of an existing forest access road over a distance of approximately 10km. There is no need for camp facilities as most of the mine and plant operating and maintenance labour is expected to be drawn from the Hope area which is approximately 18 km to the south.

The tailings process facility will be operated under a sub-contractor agreement and that the Company will be paid a royalty. Following the processing of the gold resources contained in the tailings, the tailings impoundment will be used in conjunction with the proposed underground and open pit mine development and processing in the upgraded onsite mill facility.

OPPORTUNITIES

The economics of the PEA do not take into account opportunities for future improvement based on:

- Varying the mill throughput.
- Further development of the PEA process flowsheet to increase the level of gold contained in the processed concentrate.
- Potential for payable silver in the concentrate
- Improved metallurgical performance
- Shared access development cost

Future Work Program

Management's plans for 2012 are:

- Complete and submit the various applications for operational permitting,
- Continue water sampling of the tailings impoundment and surrounding area,
- Investigate and implement opportunities for improvement in project economics, and
- Proceed with financing and strategic partnership discussions with interested parties.

TECHNICAL REPORT

The PEA was prepared to conform to Canada's NI 43-101 reporting standards for a Technical Report by B. Ross Design Inc., which is a consulting engineering company based in Vancouver. Established in 2005, B. Ross Design Inc. tailors its services to the mining industry and provides a full service engineering package to

junior and mid-tier mining companies. B. Ross Design Inc. has a solid background of international consulting for a wide range of mining projects including precious and base metals and industrial minerals projects, at all levels of projects from studies through to detailed engineering and construction.

The technical report of the PEA will be posted on the Company's website (www.newcarolingold.com) within 45 days.

Report Authors

The authors responsible for the preparation of the PEA document are:

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A paper was presented at the recent Tailings and Mine Waste Conference held from November 6 to 11, in Vancouver, BC. titled "Daniel, Adrian and Downing, B.W., 2011, Investigating the Reprocessing of Carolin Mine Tailings, Proceedings Tailings and Mine Waste 2011, Vancouver, BC."

About New Carolin Gold Corp.

[New Carolin Gold](#) is a Canadian-based junior mineral exploration and development company engaged in the acquisition, exploration, evaluation and development of 130 sq kms of contiguous mineral claims, collectively known as the Ladner Gold Project, located along the prospective and under-explored Coquihalla Gold Belt located in southeastern British Columbia, which is host to several historic small gold producers including the Carolin Mine, Emancipation Mine, Pipestem Mine and numerous gold prospects.

ON BEHALF OF THE BOARD OF DIRECTORS

Bruce W. Downing, M.Sc., P.Geo, Hon.FEC
President & Chief Executive Officer

We seek Safe Harbor.

Caution concerning forward-looking information

This PEA is preliminary in nature which includes the use of inferred mineral resources that are considered speculative geologically and there is no assurance the mining, metal production, or cash flow scenarios outlined in this report would ever be realized.

This news release may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and the Company undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances, unless otherwise required to do so by law.

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