

Mutiny Gold Limited Doubles Target Gold Production Rate for Deflector Project to 100,000 Ounces Per Annum

13.07.2011 | [ABN Newswire](#)

09:41 AEST July 13, 2011 ABN Newswire (C) 2004-2011 Asia Business News PL. All Rights Reserved.

Perth, Australia (ABN Newswire) - [Mutiny Gold Ltd](#) (ASX: MYG) is pleased to announce that its successful ongoing exploration program at its flagship Deflector Project in the Murchison region of Western Australia has led to an increase in its proposed initial production rate to 100,000 ounces of gold per annum.

Recent drilling at Deflector, designed to test Northern and Southern resource extensions, has reinforced the Company's view of the potential for a significant increase in resources. Previously announced drilling results support the potential for additional open pit resources, particularly to the North, and additional underground resources both to the North and to the South of the existing resources.

This has led to a re-assessment of the target production capacity for the Deflector Project, significantly increasing the initial annual gold production rate from the proposed 50,000 ounces per annum gold to a minimum of 100,000 ounces per annum once mine production is fully operational. The company has resolved to expand the scope of its feasibility studies to incorporate a re-assessment of the Deflector Project which is now expected to support production in the order of 100,000-120,000 ounces of gold per annum when fully ramped up.

Four significant resource extension targets have been identified by the recent drilling.

These zones are targeting additional ounces and their location is outlined in Figure 1 (see link at the bottom of the release).

- Zone 1 represents a Southern underground resource extension target, located between 18,800mN and 19,000mN, and between 160mRL and 0mRL.

- Zone 2 represents a Northern underground resource extension target, located between 19,500mN and 19,700mN, and between 160mRL and 0mRL.

These two zones have the potential to significantly increase the strike length of the current underground resource.

- Zone 3 represents a Southern open pit target, open to the south and at depth. Significant intersections from the previous drilling immediately to the north of this zone, announced on 21st of June 2011, include 1m @ 72.2g/t, 4m @ 15.9g/t, and 8m @ 3g/t Au. The recently completed, most southerly drill line in this area intersected multiple pyritic quartz veins (assays pending).

- Zone 4 represents a Northern open pit target, open to the north and at depth. The main Deflector resource is some 880m in strike length and is cut off to the north by a later dolerite intrusion. The only hole drilled to date to the north of this dolerite returned significant mineralisation (3m @ 9.9g/t Au) and indicates that the Deflector system continues to be open to the north. A review of the geological and aeromagnetic data reinforces this understanding.

The Exploration Target for Zones 1 and 2 is between 300,000t and 900,000t at grades of between 4g/t and 7g/t Au and 0.5% and 1.0% Cu for totals of the order of 100,000oz Au and 3500t Cu. This target is to a depth of only 280m below surface and mineralisation within the zones can be expected to continue down plunge.

It is stressed that the target is conceptual in nature and has yet to be drill tested. There has been insufficient exploration to define a JORC compliant Mineral Resource and it is uncertain if future exploration will result in the further resources being discovered.

Mutiny believes Zones 3 and 4 have the potential to identify a system equivalent to the existing Deflector system, which has current total resources of 590,000 ounces of gold.

Ongoing drilling of the Central and Contact Lodes that parallel the main Deflector West Lode is expected to

further add to the current resource base to enable a production level of 100,000 ounces of gold per annum.

The current drilling program is very close to completion and Mutiny intends to undertake a thorough review of all of this work and to design a further diamond drill program specifically targeting Zones 1 and 2 mentioned above to continue to build the project's resources. This work will be conducted concurrently with further project optimisation studies prior to commencing a definitive feasibility study. Commenting on the new production targets, Mutiny Gold's Managing Director, John Greeve, said that the increase to 100,000oz pa should provide significant increases in forecast annual profits to be derived from the Deflector Project development.

'The doubling of production at Deflector will allow Mutiny to unlock significant value for our shareholders,' Mr Greeve said.

The recent Exploration success has given Mutiny the confidence that the resource at Deflector is of sufficient scale to justify an expanded mining scenario. The current pre-feasibility study work indicates that this may be attained by increasing the underground mining rate from 320,000tpa to 500,000tpa should the strike length be extended as expected, as this will allow an increased number of underground mine headings, and thus increased production rate.

It is expected that increased underground production will be further supported by the addition of new open pit tonnage from both Southern and Northern extensions.

For the complete Mutiny Gold Limited announcement including figures and tables, please refer to the following link:

<http://www.abnnewswire.net/media/en/docs/548771.pdf>

About Mutiny Gold Limited:

Mutiny Gold (ASX: MYG) is a diversified resource company focused on the exploration and development of its flagship Deflector gold / copper project, within the Gullewa tenements located in the South Murchison region of Western Australia.

The Company also has significant nickel tenements in Western Australia as well as iron ore potential at its Gullewa tenements.

Mutiny plans to commence production in 2012 with an open pit mining operation at the Deflector Deposit, followed by underground mining after two years.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/107450--Mutiny-Gold-Limited-Doubles-Target-Gold-Production-Rate-for-Deflector-Project-to-100000-Ounces-Per-Annum.htm>

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