

# Romarco provides company update

04.08.2011 | [CNW](#)

TORONTO, Aug. 4, 2011 /CNW/ --  
TRADING SYMBOL: TSX: R

TORONTO, Aug. 4, 2011 /CNW Telbec/ - ROMARCO MINERALS INC. (TSX: R) (the 'Company') is pleased to provide an update on development activities, economic studies, drilling, and financing for the first half of 2011 and plans for the remainder of the year. Highlights include:

- Completed the Romarco-owned analytical and metallurgical lab
- Initiated Environmental Impact Statement ('EIS') permit process
  - third party contractor selection underway
- 80,000 meters drilling planned for second half of 2011
  - o 40,000 meters or 50% Haile step-out drilling
  - o 25,000 meters or 30% regional exploration
  - o 15,000 meters or 20% Haile infill drilling
- National Instrument ('NI') 43-101 Underground Study at Haile Gold Mine ('Haile') due to be completed at end of 2011
- Progress made on arrangements for flexible delivery of equipment to coincide with mine development

Following the decision by the US Army Corps of Engineers ('USACE') to require the Company to complete an EIS (previously announced July 1, 2011), the Company has implemented its contingency plan to take advantage of the additional time required to complete the EIS in order to optimize its development plan, and to mitigate the expense associated with delayed production. Details of the highlights listed above are discussed below:

Diane Garrett, President and CEO commented, 'It has been an extremely productive year thus far, and the pace of activities for delivering value to our shareholders, employees and the local communities is accelerating. While the additional time required to complete an EIS is a disappointment, we are taking full advantage of the opportunity to enhance the Haile project and Romarco. Our drilling program priorities for the second half of 2011 was recently updated and approximately 80% of our activity is targeted on the exploration upside at Haile and in the region. We completed the analytical and metallurgical lab on time and budget, we have initiated underground studies that we expect will produce a robust NI 43-101 compliant resource, and we promptly kicked-off the EIS process with the US Army Corps of Engineers. We are very pleased with the Corps' commitment to maintain a tight schedule for the EIS as demonstrated by the fact we were able to advance the schedule for issuing the public notice for scoping by two weeks.'

Development Activities

During the month of June, the Company completed construction of its previously announced analytical and metallurgical lab on schedule and on budget ('Kershaw Mineral Lab' or 'KML'). The laboratory is currently in its commissioning phase and is expected to commence operations this month.

The lab will improve the planning of future drill holes and add value to the exploration program by decreased turn around time on assay data. Until KML receives accreditation, all ore-grade assays reported to the public will be completed by third party, independent assay laboratories as has been conducted in the past. KML will begin the 17025-accreditation process in September, which is anticipated to take approximately 18 months to complete. This accreditation process involves development, documentation, and approval of control systems and proficiency testing of round-robin samples issued by the Canada Centre for Mineral and Energy Technology ('CANMET'). KML will also be accredited by the Standards Council of Canada.

Romarco is working closely with the USACE and the Company recently held productive meetings with the USACE to launch the EIS on its 100% owned Haile project in South Carolina. The Company and the USACE have selected respective project leaders, established weekly communications, and developed a compact schedule for selecting an independent third-party contractor to prepare the EIS for the USACE and move promptly into the scoping process. The USACE requested Romarco recommend a list of engineering firms that are familiar with mining and Federal 404 Wetlands permitting. Several leading engineering firms have responded to Requests for Qualifications ('RFQ's) and we anticipate the USACE, with Romarco's participation, will select the third-party contractor and provide notice of the public scoping meetings in the next few weeks.

#### Economic Studies

In mid-2010, Haile commissioned Snowden Group to complete an Underground Mining Scoping Study. While several potential underground targets were identified with the largest of these deposits being Horseshoe, the study in 2010 was based on limited drilling information at the time. The study did, however, conclude that further investigation of the underground potential at Haile was warranted. They recommended that the Company conduct further drilling to improve the definition of the deposits, obtain geotechnical data, review and refine underground mining costs, and investigate the integration of the underground with open pit mining plans. Since that time, the Company has continued to drill in the Horseshoe area and identified and initiated drilling at other potential underground targets (Mustang, Ledbetter and Snake Deep). Geotechnical data is being compiled through the drilling of oriented core holes and engineering data recovered and analyzed will be incorporated into the underground mine design parameters. The geologic block model is in the process of being updated with the drilling completed thus far.

The Company has engaged Snowden Group again to complete a NI 43-101 compliant Preliminary Economic Assessment ('PEA') of underground mineralization at Haile. The PEA, which is underway, will study the trade-offs and boundaries of underground and open-pit methods at Haile, develop underground design criteria, perform stope designs, evaluate

underground access alternatives, determine mining inventories, develop a preliminary mining schedule, calculate an underground resource, identify underground infrastructure requirements, and construct a financial model.

The higher-grade underground opportunities at Haile have not been incorporated into the Feasibility Study (previously announced February 9, 2011) nor the mine plan and therefore represent additional upside potential. Due to the recent drilling success of underground targets the Company has moved quickly to launch a comprehensive review of the ability to incorporate it into the mine plan. The Company notes that the Haile property provides many mine optimization opportunities within the permit framework, and these will be subject to continuous assessment prior to and throughout the life of the mine as new drilling information and discoveries become known. The Company has planned for and is confident that it will have ample time to incorporate the preferred underground alternative into the overall mine plan.

The Company still envisions a combination of open pit and underground mining as mineralization on the western portion of the property comes to surface and hence would be more economical to pursue in an open pit mine plan. The Company expects to complete and publish the PEA by the end of 2011.

Romarco also intends to prepare an updated mineral resource and reserve estimate on the Haile project based on its drill data through the end of 2011. The Company anticipates publishing the updated NI 43-101 technical report in the first quarter of 2012.

## Drilling

As of June 30, 2011, the Company completed 92,000 meters of its planned 172,000-meter drill program for 2011. The 92,000 meters of drilling was completed on schedule and on budget and represents a 77% increase over the same period in 2010.

During the first six months of 2011 the Company executed its budget and directed drilling on areas that were most likely to benefit the mine plan. This involved (1) focusing on infill drilling to increase reserves and upgrade in-pit inferred resource mineralization into the measured and indicated resource categories, which were considered waste in the feasibility study, and (2) condemnation drilling for overburden stockpiles. With the additional time available due to the EIS, Romarco has updated its drilling priorities. Exploration will now focus mainly on step-out drilling at Haile for the balance of 2011, while outstanding condemnation drilling will be mainly completed during 2012. The Company is also conducting exploration drilling on its regional targets in accordance with its budget. Approximately 25,000 meters of exploration drilling will be directed to regional targets (30% of the 2011 second half program). The regional targets have been drilled in the past with positive results. The planned programs are intended to confirm the historical drilling and test for strike and dip extensions of the known mineralization.

## Equipment / Financing

The Company is working with suppliers to secure key equipment with long-lead times while minimizing near-term cash outlays. A local equipment dealer has provided alternatives for delivery of the majority of the planned mobile mining fleet on a schedule aligned with the expected start-up of project development. As a result of the EIS delay, the Company expects it will incur some additional costs for a local mobile mining equipment dealer to provide delivery flexibility and firm pricing, which will eliminate the risks of significant cost escalation and possible delivery delay. The details of these associated costs are being finalized.

The Company also extended its agreement with Barclays Capital as Adviser for debt financing of Haile (previously announced December 15, 2010), with the aim of securing project debt financing for construction and commissioning of Haile's planned mining and processing operations. The agreement has been extended through June 30, 2013.

### About Romarco Minerals Inc.

Romarco Minerals Inc. is a gold development company focused on production primarily in the US. The Company has completed a positive Feasibility study and is continuing exploration and permitting for its flagship project, the Haile Gold Mine in South Carolina.

### FORWARD-LOOKING INFORMATION

This Press Release contains 'forward-looking information' that is based on Romarco's expectations, estimates and projections as of the dates as of which those statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, outlook, financing plans, earnings per share and shareholder value, projections, targets and expectations as to reserves, resources, results of exploration (including targets) and related expenses, drilling activity, sampling and other data, capital costs, and completion dates for the various development stages of mines. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'believe', 'estimate', 'expect', 'intend', 'should', 'scheduled', 'will', 'plan' and similar expressions. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause Romarco's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, and developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to:

- uncertainties relating to resources and reserves estimates;
- risk that the Company may be unable to secure further capital necessary to carry out its operations;
- uncertainties relating to the ability of the Company to secure the various permits to conduct its current and anticipated future operations;
- inherent uncertainties associated with exploration and development activities;
- uncertainties relating to actual capital costs, operating costs and expenditures, production schedules and economic returns;
- risks associated with Romarco's operations being subject to significant environmental laws and regulations, including change in governmental regulation;
- uncertainties relating to the Company's ability to effectively manage growth;
- risks associated with the limited operating history of the Company and the lack of history of earnings, positive cash flow or dividend payments; and
- risk that the Company's insurance coverage may not cover all of its potential losses, liabilities and damage related to its business;

A discussion of these and other factors that may affect Romarco's actual results, performance, achievements or financial position is contained in the filings by Romarco with the Canadian provincial securities regulatory authorities, including Romarco's Annual Information Form. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the continued operation of Romarco's mining operations, no material adverse change in the market price of commodities, that the mining operations will operate in accordance with Romarco's public statements and achieve its stated production outcomes, and such other assumptions and factors as set out herein. Although Romarco has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements. Romarco disclaims any intent or obligations to update or revise publicly any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

Please note:

This entire press release may be accessed via fax, e-mail, Romarco's website at [www.romarco.com](http://www.romarco.com) and through CNW Group's website at [www.newswire.ca](http://www.newswire.ca). All material information on Romarco Minerals Inc. can be found at [www.sedar.com](http://www.sedar.com).

To view this news release in HTML formatting, please use the following URL:  
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