

El Gallo Complex Drilling Continues to Intersect Exciting Near Surface Silver Mineralization at Palmarito Plus Core Twinning Delivers +49% Increase in Silver Grade

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TORONTO, ONTARIO -- ([Marketwire](#)) -- 11/02/11 -- [US Gold Corporation](#) (NYSE: UXG)(TSX: UXG) is pleased to announce results from 1) exploration drilling and 2) core twinning at Palmarito, part of the El Gallo Complex in Sinaloa, Mexico. Exploration drilling continues to intersect exciting mineralization, designed to expand the open pit resource. Highlights include: 140.0 grams per tonne (gpt) silver over 14.0 meters (m), 180.7 gpt silver over 8.7 m and 384.2 gpt silver over 4.7 m. Results start from surface. In addition, 39 of 61 historical reverse circulation holes have been twinned with core. Results to date show that the grade-weighted average has been increased to 157 gpt silver from 106 gpt silver (+49%) (Table 2).

'Our team has done a fantastic job at Palmarito. Drilling this year has transformed the deposit from a minor source of future production into an increasingly important asset for US Gold in Mexico. The silver grades we are encountering are well above the current resource average,' stated Rob McEwen, Chairman and CEO.

PALMARITO: GOOD GRADES, NEAR SURFACE, EXPANDING POTENTIAL

On September 8th, US Gold announced that a core drill was modified in order to access a high priority, but difficult to access exploration target. The initial hole from the area was encouraging: 263.2 gpt silver, 0.3 gpt gold over 6.5 m, with the mineralization starting at surface. Holes PMX-198, 195 and 191 were recently completed to further test the area's potential. PMX-198 was located 55 m southeast of the initial result and PMX-195/191 were located approximately 20 m to the southwest (Fig 2-5). Each hole continued to intersect exciting near surface silver mineralization, highlighting the areas potential. Drilling to further extend the mineralization is underway.

Hole #	Silver (gpt)	Length (meters)	From (meters)	Silver (opt)	Length (feet)	From (feet)
PMX-198	140.0	14.0	0.0	4.1	45.9	0.0
Including	495.0	1.3	0.0	14.4	4.3	0.0
PMX-195	180.7	8.7	0.0	5.3	28.5	0.0
Including	346.2	1.8	0.0	10.1	5.9	0.0
PMX-191	384.2	4.7	0.0	11.2	15.4	0.0
Including	595.3	2.1	0.0	17.4	6.9	0.0

One additional hole, PMX-156 (Fig. 2), was recently completed at Palmarito. This hole was drilled through inferred mineralization in order to convert the mineralization to the indicated category and to further extend the inferred resource. This hole encountered lower than expected silver grade, but over a much thicker interval.

Hole #	Silver	Length	From	Silver	Length	From
	(gpt)	(meters)	(meters)	(opt)	(feet)	(feet)
PMX-156	63.8	26.0	0.0	1.9	85.3	0.0

PALMARITO: CORE TWINNING SHOWS 49% GRADE INCREASE

Palmarito was originally drilled in the mid-1990's. Based on the drilling method (reverse circulation), US Gold believed there was a possibility that the silver grades were understated. Earlier this year, drilling to infill and offset these earlier holes consistently returned better grades, helping to confirm this belief. US Gold has now twinned 39 historic reverse circulation holes with core. As compared to reverse circulation, core results are believed to give a more accurate representation of a deposits grade and tonnes. Results show that the grade-weighted average for silver has been increased to 157 gpt silver from 106 gpt silver (+49%) for the first 39 holes.

US Gold will evaluate the impact of the twinning once the remaining 22 holes have been finalized and compared. An updated resource estimate for Palmarito will be completed during first quarter 2012. A summary of the 2010 Palmarito silver and gold resource is shown below. Please see Table 2 for core twinning results.

	Tonnes (million)	Silver Grade (gpt)	Gold Grade (gpt)	Total Silver (million oz.)	Total Gold (oz.)
Measured + Indicated	3.7	71.0	0.14	8.5	16,381
Inferred	1.6	58.0	0.10	3.0	5,299

PHASE 1 MINING SCHEDULED FOR MID-2012

Phase 1 mining at the El Gallo Complex is expected to commence during the second quarter 2012. The El Gallo Complex includes the El Gallo and Palmarito silver deposits and the Magistral gold deposits, which are all located within a 13 km (8 mile) radius. Phase 1 will focus on the permitted gold deposits and is expected to produce 30,000 ounces of gold per year after initial ramp up. Capital costs have been estimated at \$15 million and the projected cash flow will help fund Phase 2, which is forecast to produce an additional 5 million ounces of silver per year, beginning in 2014. Readers should note that mineral resources that are not classified as mineral reserves do not have demonstrated economic viability.

ABOUT US GOLD (www.usgold.com)

US Gold's objective is to qualify for inclusion in the S&P 500 by 2015. US Gold explores for gold and silver in the Americas and is advancing its El Gallo Project in Mexico and its Gold Bar Project in Nevada towards production. US Gold's shares are listed on the NYSE and the TSX under the symbol UXG, trading 2.5 million shares daily during the past twelve months. US Gold's shares are included in S&P/TSX and Russell indices and Van Eck's Junior Gold Miners ETF. Rob McEwen, Chairman and CEO, owns 20% of the shares of US Gold. On June 14, 2011 the Company announced that Mr. McEwen proposed to combine the Company with [Minera Andes](#) to create a high growth, low-cost, mid-tier silver producer operating in the Americas. Each Minera Andes shareholder would receive 0.45 of a US Gold share for every Minera Andes share held. US Gold has submitted its preliminary proxy statement for review by the SEC and is awaiting comments and approval, following which the company will set a record and meeting date.

Technical Information

This news release has been viewed and approved by John Read, CPG, US Gold's consulting geologist, who is a Qualified Person as defined by National Instrument 43-101 and is responsible for program design and quality control of exploration undertaken by the Company at its Mexican exploration properties.

Samples from the core drilling were split on-site at the Company's El Gallo Complex. One quarter to one half of the split drill core is shipped to ALS Chemex for sample preparation and analysis by 4-acid digestion with ICP determination for silver and fire assay for gold. Samples returning greater than 1500 ppm silver or 10 ppm gold were re-analyzed using gravimetric fire assay. Standards and blanks were inserted every 20 samples.

All holes were drilled with HQ bits and reduced to NTW where required. Samples were taken based on lithologic and/or mineralized intervals and vary in length. The true width of the mineral zone has not been determined.

For additional information about the El Gallo Complex see the 'Preliminary Economic Assessment for the El Gallo District, Sinaloa State Mexico' dated February 11, 2011 and prepared by Paul Gates, PE, Richard Addison, PE, Aaron McMahon, PG of Pincock Allen & Holt of Denver, Colorado ('El Gallo PEA'). All three individuals are Qualified Persons as defined by NI 43-101 and are independent of US Gold Corporation as defined in Section 1.4 of NI 43-101 and Section 3.5 of Companion Policy 43-101CP. Mr. McMahon verified the mineral resource data contained in the El Gallo PEA by conducting a site visit, which included verifying drill hole locations and survey data, reviewing sampling handling, data collection procedures, partial audit of the assay database, review of the QA/QC data and analysis of core recovery and drill logs and their relations to assay values. The El Gallo PEA is available on SEDAR (www.sedar.com).

Cautionary Note to US Investors

US Gold (including in its preparation of the El Gallo PEA) prepares its resource estimates in accordance with standards of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in Canadian National Instrument 43-101 (NI 43-101). These standards are different from the standards generally permitted in reports filed with the SEC. Under NI 43-101, US Gold reports measured, indicated and inferred resources, measurements which are generally not permitted in filings made with the SEC. The estimation of measured resources and indicated resources involve greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. U.S. investors are cautioned not to assume that any part of measured or indicated resources will ever be converted into economically mineable reserves. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources.

Canadian regulations permit the disclosure of resources in terms of 'contained ounces'; however, the SEC only permits issuers to report 'mineralized material' in tonnage and grade without reference to contained ounces. Under U.S. regulations the tonnage and grade described herein under the 'measured' and 'indicated' categories would be characterized as mineralized material. The disclosure herein is being made by US Gold to provide a means of comparing its project to those of other companies in the mining industry, many of which are Canadian and report pursuant to NI 43-101, and to comply with applicable disclosure requirements. U.S. investors should be aware that the issuer has no 'reserves' as defined by Guide 7 and are cautioned not to assume that any part or all of the potential target mineral resources will ever be confirmed or converted into Guide 7 compliant 'reserves'.

Forward Looking Statement

Certain statements contained herein and subsequent oral statements made by and on behalf of the Company may contain 'forward-looking statements' within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be identified by words such as 'intends,' 'anticipates,' 'believes,' 'expects' and 'hopes' and include, without limitation, statements regarding the Company's results of exploration, plan of business operations, potential contractual arrangements, receipt of working capital, anticipated revenues and related expenditures. Factors that could cause actual results to differ materially include, among others, those set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and other filings with the Securities and Exchange Commission, under the caption 'Risk Factors'. Most of these factors are outside the control of the Company. Investors are cautioned not to put undue reliance on forward-looking statements. Except as otherwise required by applicable securities statutes or regulations, the Company disclaims any intent or obligation to update publicly these forward looking statements, whether as a result of new information, future events or otherwise.

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