

# Woulfe Mining Announces Results of Preliminary Economic Assessment for its 100% Owned Muguk Gold Mine

14.03.2012 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA -- (Marketwire) -- 03/14/12 -- [Woulfe Mining Corp.](#) ('Woulfe' or the 'Company') (TSX VENTURE: WOF) (OTCQX: WFEMF) (FRANKFURT: OZ4) is pleased to announce that an NI 43-101-compliant preliminary economic assessment (PEA) has been completed for its 100% owned Muguk gold project in South Korea.

Brian Wesson, Woulfe CEO/President, comments that, 'The PEA indicates that the project is economic as it has a positive NPV. We are also excited that this was based on mining one vein of the nine veins on the field and does not include any of the silver. This project was Korea's largest producing gold project and by developing the Three Brothers vein it will allow for exploration of the field that has substantial underground development that extends across the over 1km strike and down dip to 700 metres below surface.'

The PEA indicates that Muguk is a potentially viable project that will return a positive net discounted cash flow. No insoluble technical issues were identified that might prevent the project proceeding.

The PEA was undertaken by AMC Consultants Pty Ltd. ('AMC') of Brisbane and was based on a mine design and schedule underpinned by an inferred mineral resource. The mineral resource was prepared under the direction of a Qualified Person using accepted industry practice and has been classified and reported in accordance with the JORC Code(1).

The Muguk gold-silver mineralization is hosted within a series of parallel, steeply dipping quartz veins that extend discontinuously for 400-2,000 metres along strike and to a known depth of 800 metres. The average width of the veins is typically less than 1 metre, although the veins pinch and swell and can be up to 2 metres in width in places. The Three Brothers Vein and the No.2 Vein are the most significant mineralised structures in the goldfield (refer to release dated 30 August 2011), however there are a number of other veins including Baksan, Geumyong, and Nos 1 and 7-11 Veins which have been partly explored and developed.

The PEA identified a mining inventory, consisting of inferred resource and unclassified diluting material, of 728,000 tonnes grading 7.0 g/t gold. Silver is present in the deposit, but has not been reported in the mineral resource, so was excluded from consideration in PEA. The designed production areas are confined to the Three Brothers Vein.

The shrink stoping mining method was selected for Muguk. Shrink stoping is a conventional mining method that uses hand-held drilling techniques. It is well suited to narrow vein deposits and provides the best means of minimizing dilution. Shrink stoping was previously used with success at Muguk.

The proposed mine access strategy is by decline, using trackless rubber-tyred trucks and loaders. Decline access is a modern and conventional approach that offers great flexibility in production rate, and greatly simplifies the task of moving personnel and equipment from one area of the mine to another. Decline access to the Three Brothers Vein will substantially improve the ease with which other nearby veins can be explored and accessed.

Realistic dilution and ore loss factors were applied to the mineral resource in estimation of the mining inventory. Average dilution was 37%, and ore loss (including material lost to non-recoverable pillars) of 20% was applied.

A cut-off grade of 4.3 g/t gold was determined for Muguk, and applied to the diluted gold grade. The cut-off grade calculation assumed a gold price of US\$1,600 per ounce. Mining costs were estimated from first principles, using South Korea labour and other input costs.

Gold and silver will be recovered in a gravity and pyrite flotation circuit. The overall gold recovery will be approximately 96%. Approximately 40% of the precious metals will be captured by the gravity process and processed into gold-silver dore bars. The remaining 56% will be captured in a pyrite concentrate, which will either be sold as a concentrate, or fed to an acid leach for recovery of the gold and silver.

The schedule developed for the PEA is summarized below:

	Unit	Total	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Decline	m	6,336	1,188	1,584	1,584	396	-	-	-
Access rehabilitation	m	12,048	2,625	2,362	3,000	3,000	1,061	-	-
Access development	m	5,576	918	1,678	1,378	1,602	-	-	-
Stope production	kt	728	-	73	133	145	145	145	87
Production Au grade	g/t	7.0	-	5.4	6.5	7.1	7.2	7.5	8.1
Milling	kt	728	-	73	128	140	140	140	107
Milling Au grade	g/t	7.0	-	5.4	6.5	7.0	7.2	7.4	8.0
Recovered Au	koz	158	-	12.2	25.9	30.4	31.1	32.0	26.4

The life of mine capital cost estimate for fixed plant items is US\$60.2 million. This includes US\$20 million for the processing plant, \$19.4 million for the access decline, US\$7.0 million for engineering, procurement, and construction management and US\$4.3 million for sustaining capital.

Project cash flows, expressed in millions of US dollars, are summarized below:

	Total	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Fixed plant costs	60.2	35.0	7.3	7.4	7.3	3.0		0.2
Mobile plant costs	12.7	5.0	4.9	1.0	1.0	0.5		0.3
Operating costs	111.2	2.1	16.2	22.0	23.5	24.2	14.7	8.4
Revenue from gold	252.6	-	19.5	41.4	49.7	51.1	50.8	42.2
Net cash flow	68.6	-42.2	-8.9	11.0	16.8	22.0	36.5	33.4

At an assumed gold price of US\$1,600 per ounce, the Muguk project returns a substantial positive net cash flow. The undiscounted net pre-tax cash flow is US\$68.6 million. The net discounted pre-tax cash flow, using a real pre-tax discount factor of 8%, is US\$31.8 million. Payback of capital (in both discounted and undiscounted terms) is achieved during Year 6 of operation. The internal rate of return (IRR) is 22%.

Woulfe cautions that the PEA is preliminary in nature. It is based on an inferred mineral resource. Inferred resources are based on limited information, and grade continuity has been assumed, but not verified. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource that is the subject of the PEA will be converted into mineral reserve. No mineral reserves were estimated as part of the PEA.

However, the positive outcome of the PEA does provide Woulfe with the incentive to continue to advance the Muguk project. Resource confirmation work on the Three Brothers Vein and exploration of the numerous smaller veins within the gold field are recommended. This work can most effectively be undertaken from underground drill sites.

The report of the PEA in this release has been reviewed and approved in the form and context in which it appears by Woulfe's mining advisor, Mr Edward Gleeson MAusIMM (CP), BEng (Mining), of AMC Consultants Pty Ltd. Mr Gleeson has appropriate qualifications and sufficient relevant experience to qualify as a Qualified Person for the reporting of a PEA for the Three Brothers Vein of the Muguk Gold Mine.

On Behalf of the Board of Directors, Woulfe Mining Corp.

Brian Wesson (FAusIMM)

President, CEO and Director

### **About Woulfe Mining Corp.**

[Woulfe Mining Corp.](#) is a TSX-V listed company with a diversified portfolio of mining licenses for tungsten, molybdenum, gold, base metals and uranium-vanadium in South Korea.

The company's current projects include the Sangdong tungsten-molybdenum mine, historically, one of the largest tungsten mines in the world; the Muguk gold-silver mine, formerly South Korea's largest gold mine, as well as a number of other properties with significant known mineralization and excellent regional exploration potential.

Woulfe has high expectations for near-term, low-cost production. The company has assembled a highly skilled, in-country, bilingual technical team and a board of directors with an outstanding track record of success.

Forward-looking statements and forward-looking information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. We have made certain assumptions about the forward-looking statements and information and even though our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statement or information will prove to be accurate. Furthermore, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. These risks, uncertainties and other factors include, among others, the following: commodity price volatility; discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries; mining operational and development risk; litigation risks; regulatory restrictions, including environmental regulatory restrictions and liability; risks of sovereign investment; currency fluctuations; speculative nature of mineral exploration; global economic climate; dilution; share price volatility; competition; loss of key employees; additional funding requirements.

There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, you should not place undue reliance on the forward-looking statements or information contained herein. Except as required by law, we do not expect to update forward-looking statements and information continually as conditions change and you are referred to the full discussion of the Company's business contained in the Company's reports filed with the appropriate regulatory authorities.

1. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2004 Edition, Effective December 2004, Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

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