

Lexam VG Gold Inc. Focuses on Potential for Open Pit Mining in Timmins

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Updated RESOURCE Estimates for Four Projects Generate Open Pit Gold Resources of 761,200 oz INDICATED, 359,600 oz INFERRED

TORONTO, 06/03/13 - [Lexam VG Gold Inc.](#) (the "Company", "Lexam", "Lex") (TSX: LEX) (FRANKFURT: VN3A) (OTCQX: LEXVF) announces updated resource estimates with an effective date of May 31, 2013 for its three adjoining properties (Buffalo Ankerite, Fuller and Paymaster) and its nearby Davidson Tisdale property, all located in Timmins, Ontario. For the first time, the updated resource estimates have been combined and classified into two categories: Open Pit and Underground. The Combined Open Pit Gold Resource Estimate is: Open Pit Measured and Indicated 761,200 oz at a grade of 1.91 gpt and Open Pit Inferred 359,600 oz at a grade of 1.78 gpt. The focus on the potential for Open Pit mining on these properties was driven by the near surface nature of the gold mineralization and previously released drill results indicating substantial widths of mineralization:

Fuller: VGF-11-122 (10.35 gpt Au/ 14.9 m), VGF-11-121 (3.38 gpt Au/ 39.4 m), VGF-12-145 (3.19 gpt Au/ 19.1 m)

Buffalo Ankerite: VBA-07-98 (3.71gpt Au/ 20.3 m), VBA-12-196 (3.88 gpt Au/ 26.5 m), VBA-08-125 (1.6 gpt Au/ 36.1 m)

Paymaster: VGP-10-83 (30.99 gpt Au/ 24.7 m) VGP-10-65 (1.82 gpt Au/ 34.1 m), VGP-10-48 (1.34 gpt Au/ 38.6 m).

Based on these resource estimates a Preliminary Economic Assessment is being conducted to determine the viability of open pit mining these resources. This study should be completed in the third quarter of 2013.

The resource updates were completed in order to include any new drilling, as well as to better evaluate the economic potential of near surface extraction by open pit methods. This was achieved by completing a Gemcom 3D block model and applying an optimized Whittle Pit to the resource to estimate a gold resource within the pit shells.

The new Combined Underground Gold Resource Estimate is: Underground Measured and Indicated 567,900 oz at a grade of 4.85 gpt and Underground Inferred 530,500 oz at a grade of 4.31 gpt.

Lexam's Combined Open Pit and Underground Resource Estimate now sums up to: Total Measured and Indicated 1.41 million oz (42% increase) and Total Inferred 929,900 oz (9% increase), versus combined estimates from previous years of: Measured and Indicated 996,900 oz and Inferred 855,100 oz. Complete comparisons and details of the resource estimates on each of the four properties are found in Tables 1, 2, 3, 4 & 5.

In this press release "combined resource estimate" represents total resources estimates on all four properties. The following abbreviations are used: opt = ounce per ton; gpt = gram per tonne, Au = gold; oz = ounce; ft = foot; m = metre; M = million, t = tonne, 000's = thousands. The following definitions apply: 1 tonne = 1,000 kilograms; cut-off grade = the grade value that distinguishes ore from waste, where material which has a grade below the cut-off grade is classified as waste and material with a grade equal to or greater than the cut-off grade is classified as ore.

The updated resource estimates on Buffalo Ankerite, Paymaster, Fuller and Davidson Tisdale Main Zone include Whittle Pit optimized resource models for each project. Table 1 summarizes the updated Lexam resource estimates in conjunction with the previous estimates.

Table 1. Lexam Net Gold Resources for the Buffalo Ankerite, Paymaster, Fuller and Davidson Tisdale Projects

Previous Estimates				
Year of	Cut-Off	Tonnage	Grade	Gold

	Estimate	(gpt)	(M t)	(gpt)	(000's oz)

Measured and Indicated Resources(i)					

Buffalo Ankerite	2012	1.7	4.47	3.70	531.7
Paymaster	2010	0.5	1.93	1.82	113.4
Fuller	2006	2.6	1.34	5.49	236.2
Davidson Tisdale ("DT")					
Main Zone	2007	3.0	0.14	7.54	33.2
DT S-Zone	2003	2.0	0.52	4.96	82.4

Total Measured and Indicated					996.9

Inferred Resources					

Buffalo Ankerite	2012	1.7	3.51	3.70	417.0
Paymaster	2010	0.5	1.67	1.72	92.6
Fuller	2006	2.6	1.64	5.66	300.0
DT Main Zone	2007	3.0	0.02	10.93	5.7
DT S-Zone	2003	2.0	0.26	4.68	39.8

Total Inferred					855.1

June 2013 Estimates					

		Cut-Off	Tonnage	Grade	Gold
		(gpt)	(M t)	(gpt)	(000's oz)

Open Pit					
Buffalo Ankerite		0.5	3.82	2.38	292.3
Paymaster		0.5	2.79	1.61	145.4
Fuller		0.5	5.33	1.69	289.9
DT Main Zone		0.5	0.43	2.44	33.6
		0.5	12.37	1.91	761.2
Underground					
Buffalo Ankerite		2.6	3.27	4.75	500.2
Fuller		2.6	0.33	5.77	60.7
DT Main Zone		2.6	0.04	5.43	7.0
		2.6	3.64	4.85	567.9
DT S-Zone		2.0	0.52	4.96	82.4

					1,411.5

Open Pit					
Buffalo Ankerite		0.5	2.74	2.32	204.1
Paymaster		0.5	0.84	1.61	43.5
Fuller		0.5	2.70	1.29	112.0
		0.5	6.28	1.78	359.6
Underground					
Buffalo Ankerite		2.6	2.81	4.06	367.1
Paymaster		2.6	0.13	6.14	25.7
Fuller		2.6	0.82	4.99	131.1
DT Main Zone		2.6	0.05	4.20	6.6
		2.6	3.83	4.31	530.5

DT S-Zone	2.0	0.26	4.68	39.8

				929.9

(Buffalo Ankerite, Paymaster and Fuller have only Indicated and Inferred resources. Davidson Tisdale has Measured, Indicated and Inferred resources. For detailed distribution of the Measured and Indicated categories for Davidson Tisdale, see Table 5 and Note 1 at the end of this press release. Also see General Note at the end of the press release.)

Paymaster and Davidson Tisdale properties are joint ventures (on Paymaster Lexam owns 60% and [Goldcorp Inc.](#) owns 40%, on Davidson Tisdale Lexam owns 68.5% and [SGX Resources Inc.](#) owns 31.5%). All gold resource estimates presented in Table 1 are net Lexam resources on the projects. The resource estimates for the projects will be available in the technical report to be filed on SEDAR by June 23, 2013.

The Buffalo Ankerite Project

The Buffalo Ankerite project consists of two separate mineralized zones, the South Zone and the North Zone. Portions of each zone, but predominately the North Zone, straddle the boundary between the Buffalo Ankerite and Paymaster properties (see Figure 1 at the end of this press release). The Whittle Pit optimized resource model announced on May 9, 2013 had 235,000 oz Au in the Indicated category and 197,000 oz Au in the Inferred category from mineralization lying on the Buffalo Ankerite property. The Open Pit resources for Buffalo Ankerite presented in Table 1 reflect an increase due to the addition of Lexam's resources from the portions lying on the Paymaster property (resources on Paymaster are 60% attributed to Lexam and 40% to Goldcorp). As seen in Table 1, the Open Pit net Lexam resources on the Buffalo Ankerite project are increased by 24% to 292,300 oz Au at a grade of 2.38 gpt Au for the Indicated category and by 4% to 204,100 oz Au at a grade of 2.32 gpt Au for the Inferred category.

This represents a favourable exploitation target in terms of grade and resource with close proximity to the mining infrastructure of Timmins.

By combining the Underground and Open Pit resources, Lexam's resources on the Buffalo Ankerite project in 2013 have increased to 792,500 ounces of gold in the Indicated category (49% from 531,700 ounces in 2012) and to 571,200 ounces of gold in the Inferred category (37% from 417,000 ounces in 2012).

The underground resource estimate returned favourable results with a resource that remains open at depth and down plunge. The following sensitivity table provides details regarding the new resource estimate update on the project.

Table 2. Sensitivity Table for Lexam Resources on the Buffalo Ankerite Project

Buffalo Ankerite Open Pit Resources						
Indicated Resources				Inferred Resources		
Cut-Off (gpt Au)	Lex Tonnage (M t)	Grade (gpt)	Lex Au (000's oz)	Lex Tonnage (M t)	Grade (gpt)	Lex Au (000's oz)
5.14	0.31	7.96	78.3	0.11	7.17	25.6
4.29	0.46	6.89	100.9	0.16	6.35	33.6
3.43	0.74	5.71	136.3	0.42	4.86	65.5
2.57	1.13	4.77	173.5	0.72	4.06	93.7
1.71	1.91	3.66	225.3	1.76	2.91	164.5
1.54	2.12	3.46	236.5	2.02	2.75	178.0
1.03	2.95	2.85	270.4	2.42	2.51	194.7
0.51	3.82	2.38	292.3	2.74	2.32	204.1

Buffalo Ankerite Underground Resources						
Indicated Resources				Inferred Resources		
Cut-Off (gpt Au)	Lex Tonnage (M t)	Grade (gpt)	Lex Au (000's oz)	Lex Tonnage (M t)	Grade (gpt)	Lex Au (000's oz)
5.14	0.88	8.14	230.0	0.39	8.20	101.7
4.29	1.31	7.00	294.2	0.69	6.62	147.9
3.43	1.97	5.94	376.4	1.37	5.23	229.8
2.57	3.27	4.75	500.2	2.81	4.06	367.1
1.71	5.51	3.68	652.2	5.57	3.08	551.5
1.54	6.05	3.49	679.7	6.37	2.90	592.6
1.03	7.99	2.96	760.2	9.19	2.40	710.1
0.51	10.11	2.50	811.8	11.05	2.13	757.4

(The highlighted numbers in the table are the resources corresponding to the selected cut-off grades. Also see General Note and Note 2 at the end of news release.)

The Paymaster Project

The Paymaster project is a joint venture between Lexam (60%) and Goldcorp (40%), with Lexam as the

operator. The resource evaluation was conducted to confirm and update the earlier (2010) manual resource estimate. The resultant block model with an optimized Whittle Pit reflects a potential open pit for the project of:

- Indicated Resource Estimate - 242,400 oz Au @ 1.61 gpt Au
- Inferred Resource Estimate - 72,500 oz Au @ 1.61 gpt Au.

This confirms the open pit potential of the Paymaster project.

Table 3. Sensitivity Table for Resources on the Paymaster Project

Paymaster Open Pit Resources						
Indicated Resources						
Cut-Off (gpt)	Paymaster Tonnage (M t)	Lexam		Paymaster Au (000's oz)	Lexam Au (000's oz)	
		Tonnage (M t)	Grade (gpt)			
10.97	0.04	0.03	16.63	23.7	14.2	
5.14	0.13	0.08	10.32	42.2	25.3	
4.29	0.19	0.11	8.54	51.0	30.6	
3.43	0.28	0.17	6.89	62.9	37.7	
2.57	0.52	0.31	5.07	85.0	51.0	
1.71	1.21	0.73	3.36	131.3	78.8	
1.54	1.51	0.90	3.02	146.7	88.0	
1.03	2.66	1.60	2.26	193.9	116.3	
0.51	4.66	2.79	1.61	242.4	145.4	

Paymaster Open Pit Resources					
Inferred Resources					
	Paymaster Tonnage (M t)	Lexam		Paymaster Au (000's oz)	Lexam Au (000's oz)
		Tonnage (M t)	Grade (gpt)		
	0.01	0.005	19.99	4.8	2.9
	0.03	0.02	11.45	9.3	5.6
	0.04	0.02	9.43	10.9	6.5
	0.05	0.03	7.71	12.9	7.7
	0.12	0.07	4.94	19.0	11.4
	0.43	0.26	2.88	39.6	23.7

0.51	0.31	2.67	44.2	26.5
0.87	0.52	2.09	58.6	35.2
1.40	0.84	1.61	72.5	43.5

Paymaster Underground Resources

Inferred Resources

Cut-Off (gpt)	Lexam		Paymaster Au (000's oz)	Lexam Au (000's oz)
	Paymaster Tonnage (M t)	Tonnage (M t)		
10.97	0.01	0.01	4.8	2.90
5.14	0.12	0.07	31.3	18.8
4.29	0.14	0.08	35.0	21.0
3.43	0.17	0.10	38.8	23.3
2.57	0.22	0.13	42.9	25.7
1.71	0.76	0.46	81.1	48.6
1.54	0.82	0.49	84.5	50.7
1.03	0.96	0.59	90.8	54.5
0.51	1.00	0.60	91.6	55.0

(The highlighted numbers in the table are the resources corresponding to the selected cut-off grades. Also see General Note and Note 3 at the end of news release.)

The Fuller Project

The resource evaluation for the Fuller Property (100% Lexam owned) was conducted to update the earlier (2006) resource estimate that did not include an open pit scenario or optimized Whittle pit. The increase in the price of gold from 2006, as well as subsequent drill intersects of large widths of gold mineralization in the quartz-feldspar porphyry, indicated the possibility of a potential open pit model.

The total optimized Whittle pit resource estimates for the Fuller property as reported here currently stands at:
- Indicated Resource Estimate - 289,900 oz Au @1.69 gpt Au
- Inferred Resource Estimate - 112,000 oz Au @1.29 gpt Au.

The proximity of the Fuller project to existing mining infrastructure indicates the near term possibilities of the project.

Table 4. Sensitivity Table for Lexam Resources on the Fuller Project

Fuller In-Pit Resources						
Cut-Off (gpt)	Indicated Resources			Inferred Resources		
	Lex Tonnage (M t)	Grade (gpt)	Lex Au (000's oz)	Lex Tonnage (M t)	Grade (gpt)	Lex Au (000's oz)

5.14	0.25	7.52	60.7	0.06	7.52	14.1
4.29	0.37	6.63	77.9	0.09	6.63	18.9
3.43	0.54	5.71	99.6	0.14	5.71	24.7
2.57	0.87	4.68	130.7	0.22	4.68	32.5
1.71	1.56	3.53	177.4	0.47	3.53	48.6
1.54	1.78	3.29	188.9	0.57	3.29	53.8
1.03	2.83	2.54	231.0	1.10	2.54	75.5
0.51	5.33	1.69	289.9	2.70	1.29	112.0
0.34	7.01	1.39	312.7	4.18	1.39	131.8
Total	18.57	0.59	354.1	43.65	0.59	198.3

Fuller Underground Resources

Cut-Off (gpt)	Indicated Resources			Inferred Resources		
	Lex Tonnage (M t)	Grade (gpt)	Lex Au (000's oz)	Lex Tonnage (M t)	Grade (gpt)	Lex Au (000's oz)
5.14	0.12	9.55	36.8	0.24	8.67	67.1
4.29	0.16	8.28	43.1	0.33	7.57	81.0
3.43	0.23	7.02	51.0	0.52	6.23	103.9
2.57	0.33	5.77	60.7	0.82	4.99	131.1
1.71	0.54	4.31	75.1	1.52	3.68	174.7
1.54	0.60	4.03	78.4	1.77	3.40	192.7
1.03	0.83	3.27	87.7	3.00	2.51	242.2
0.51	1.35	2.30	100.0	6.03	1.61	312.5
0.34	1.68	1.94	104.5	8.86	1.23	350.8
Total	4.62	0.76	113.3	108.29	0.14	474.5

(The highlighted numbers in the table are the resources corresponding to the selected cut-off grades. Also see General Note and Note 4 at the end of news release.)

The Davidson Tisdale Project

The primary objective of the Davidson Tisdale resource estimate was to update the 2007 digital resource estimate and model. A Whittle pit optimization estimate was included with the 2013 evaluation. The 2007 resource estimate did not include a potential open pit model. A review of the project, along with an increase in the price of gold, indicated that an open pit extraction could be a viable model and therefore a new resource estimate was necessary in order to determine the viability of an open pit.

Table 5. Sensitivity Table for Lexam Resources on Davidson Tisdale Main Zone

Davidson Tisdale Main Zone Open Pit Resources									
Measured					Indicated				
Cut-Off (gpt)	Lex Tonnage (M t)	Lex Grade (gpt)	Lex Au (000's oz)	Lex Tonnage (M t)	Lex Grade (gpt)	Lex Au (000's oz)	Lex Tonnage (M t)	Lex Grade (gpt)	Lex Au (000's oz)
1.00	0.22	3.09	22.3	0.09	2.87	8.7			
0.75	0.27	2.75	23.5	0.11	2.65	9.0			
0.50	0.31	2.44	24.3	0.12	2.43	9.3			
0.25	0.38	2.08	25.1	0.14	2.17	9.5			

Davidson Tisdale Main Zone Underground Resources									
Measured			Indicated			Inferred			
Cut-Off (gpt)	Lex Tonnage (M t)	Lex Grade (gpt)	Lex Au (000's oz)	Lex Tonnage (M t)	Lex Grade (gpt)	Lex Au (000's oz)	Lex Tonnage (M t)	Lex Grade (gpt)	Lex Au (000's oz)
3.0	0.01	7.70	2.4	0.02	5.41	3.9	0.03	4.83	5.2
2.6	0.01	6.64	2.6	0.03	4.91	4.4	0.05	4.20	6.6
2.0	0.02	5.61	2.9	0.05	3.91	5.7	0.07	3.67	8.1
1.5	0.02	4.49	3.3	0.06	3.43	6.5	0.08	3.30	8.9

(The highlighted numbers in the table are the resources corresponding to the selected cut-off grades. Also

see General Note and Note 5 at the end of news release.)

The Davidson Tisdale project is a joint venture between Lexam as operator (68.5%) and [SGX Resources Inc.](#) (31.5%). The Lex Au (000's oz) columns in Table 5 reflect the 68.5% of the resource attributable to Lexam.

The updated resource estimate results in a Measured and Indicated resource estimate of 33,600 ounces of gold at a grade of 2.44 gpt Au in a potential Whittle pit.

The updated resource calculation was only conducted on the Main Zone, therefore the 2006 resource numbers for the S-Zone remain unchanged (see numbers used in Table 1).

Exploration to date on the Tisdale Main Zone has been primarily to a depth of 250 metres below surface. The few holes drilled below 250 metres have intersected the alteration and mineralizing structure, but veining and assays have been low. The continuation of the alteration and structure to depth indicate that potential remains to extend the mineralization to depth. The target would be to test below the 500 metres below surface elevation.

Lexam VG Gold Resources

The growth of resources is an important objective for Lexam VG Gold. The Company has NI 43-101 resource estimates for four projects: Buffalo Ankerite, Fuller, Davidson Tisdale and Paymaster. Further in the year Lexam will initiate a Preliminary Economic Assessment to determine the potential economic viability of mining its properties.

About Buffalo Ankerite Property

Buffalo Ankerite is a property of approximately 491 hectares, situated southeast of Timmins in northern Ontario. Buffalo Ankerite is easily accessible by highway and located a few kilometers from Goldcorp's Dome Mine to the east, Hollinger and McIntyre Mines to the north and Aunor Mine to the west. These four mines generated more than 50 million of the 70 million ounces of gold produced in the Timmins Gold Camp. During the period 1926-1953, the Buffalo Ankerite property produced 1,018,000 ounces of gold with an average recovered grade of 6.51 gpt Au.

About Paymaster Property

In June 2012, at the end of the fourth year of option on Goldcorp's Paymaster property during which \$6 M were spent in exploration and 27 kilometers of drilling were completed, Lexam exercised its option to acquire a 60% interest in the property. Goldcorp's back-in right expired in December 2012, establishing Lexam as the Manager of the Joint Venture with a 60%-40% divided interest with Goldcorp on the Paymaster property.

About Fuller Property

The 100% Lexam VG Gold owned Fuller property lies immediately north of the 100% owned Buffalo Ankerite property and west of the 60% owned Paymaster joint venture with Goldcorp. Exploration on the Fuller property in 2011-2012 consisted of diamond drilling (42 diamond drill holes covering 11,984 m) and was used in the calculation of the current resource update.

About Davidson Tisdale Property

The Davidson Tisdale property consists of 10 claims totalling 208 hectares in the Tisdale Township, Timmins, Ontario. The property is well located in the heart of the Timmins gold camp and is located approximately 5 km along strike from the Hollinger, McIntyre and Coniaurum mines, which have produced over 31 million ounces of gold. The project is a joint venture between Lexam (68.5% property interest), the project operator, and [SGX Resources Inc.](#) (31.5% property interest). Davidson Tisdale was subject to minor exploitation in 1988 by Getty Canadian Metals, with a total production of 7,300 ounces of gold.

About Lexam VG Gold

Lexam VG Gold explores for gold in the Timmins area of northern Ontario, Canada. Lexam VG Gold was

formed in 2011 by the merger of [Lexam Explorations Inc.](#) and [VG Gold Corp.](#) The Company is carrying out ongoing exploration programs, designed to build the resource base and to test the growth potential and determine the economics on its four key property assets: Buffalo Ankerite (100% interest), Fuller (100% interest), Davidson Tisdale (68.5% interest) and Paymaster (60% interest). Lexam had \$4.4 million in cash on March 31, 2013, with no bank debt. The Company has 226,570,860 issued and outstanding shares, with 27% owned by Chairman Rob McEwen.

Notes Concerning this Press Release

General Note

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, although the Company is not aware of any such issues.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005 ("CIM Standards").

Technical Information

The technical information contained in this press release has been reviewed and approved by Kenneth W. Guy, P.Ge, a consultant to Lexam VG Gold and a Qualified Person within the meaning of the Canadian Securities Administrators National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101").

Note 1 - in Reference to Table 1 and Reports on Lexam Properties

(1) The table contains net Lexam resources on the projects.

(2) The Buffalo Ankerite resource presented for 2012 was disclosed in the technical report titled "NI 43-101 Technical Report Resource Estimate on the Buffalo Ankerite Property", dated October 20, 2012 and prepared by Peter Bevan, P.Eng and Kenneth Guy, P. Geo, each a Qualified Person within the meaning of NI 43-101.

The Fuller resource presented for 2006 was estimated at cut-off grade of 2.6 gpt Au (0.075 opt Au) and was disclosed in the technical report titled "Technical Report on the Fuller Gold Property", dated August 31st, 2007 and prepared by Shahe Naccashian, Christopher Moreton and Tim Maunula, P. Geo, each a Qualified Person within the meaning of NI 43-101.

The Paymaster resource presented for 2010 was estimated at cut-off grade of 0.51 gpt Au (0.015 opt Au) and was disclosed in the technical report titled "Summary Report on Exploration and Resource Technical Report on the Paymaster Option - Porcupine Mining Division, Northeastern Ontario, Canada NTS 42A/06NE", dated December 20, 2010 and prepared by Peter Bevan, P.Eng, and Kenneth Guy, P.Ge, each a Qualified Person within the meaning of NI 43-101.

The Davidson Tisdale resources presented for 2003 and 2006 were disclosed in the technical report titled "Exploration Report (2003-2005) and Resource Estimate Technical Report on the Tisdale Project", dated March 26, 2007 and prepared by Kenneth Guy, P.Ge and Eugene Puritch, P.Eng, each a Qualified Person within the meaning of NI 43-101. The Davidson Tisdale resources were estimated at a cut-off of 3.0 gpt Au for the Main Zone and of 2.0 gpt Au for the S-Zone.

The distribution of the net Lexam Measured and Indicated resource estimates was as follows:

S-Zone: Measured - 0.23 M tonnes @ 5.50 gpt for 41,000 oz Au, Indicated - 0.28 M tonnes @ 4.52 gpt for 41,400 oz Au (2006 calculation by Eugene Puritch).

Main Zone: Measured - 0.08 M tonnes @ 7.47 gpt for 20,000 oz Au, Indicated - 0.05 M tonnes @ 7.65 gpt

for 13,200 oz Au (2003 calculation by Geostats System International).

The mineral resources were estimated using the CIM Standards. The foregoing reports are available under the Company's profile on SEDAR (www.sedar.com) and on the Company's web site (www.lexamvgold.com).

The resources presented for June 2013 for Buffalo Ankerite, Paymaster and Fuller properties were estimated at cut-off grades of 0.51 gpt Au (0.015 opt Au) within optimized pit shells and 2.57 gpt Au (0.075 opt Au) underground. The resource presented for June 2013 for the Davidson Tisdale property was estimated at cut-off grades of 0.5 gpt Au within optimized pit shells and 2.6 gpt Au underground. An approximate 30 month trailing average gold price of US\$1,600/oz and an exchange rate of US\$1.00=C\$1.00 was utilized in the Au cut-off grade calculations of 0.51 gpt Au for open pit Mineral Resources and 2.6 gpt for underground Mineral Resources. Underground mining costs were assumed at C\$97/t, with process costs of C\$18/t and G&A of C\$5/t. Open pit mining costs were \$1.85/t for mineralized material and waste rock while overburden mining costs were \$1.35/t. Process recovery was assumed at 90%. The June 2013 resources will be disclosed in a NI 43-101 compliant technical report that will be filed on SEDAR (www.sedar.com) by June 23, 2013.

Note 2 - in Reference to Table 2

(1) The updated resource estimate for the Buffalo Ankerite project was prepared by Eugene Puritch, P.Eng and Richard Routledge, P.Geo (P&E Mining Consultants Inc.), each an independent Qualified Person in accordance with NI 43-101, using the CIM Standards.

(2) Grade capping for Buffalo Ankerite of 51 gpt was applied to raw assays for the mineralized domains. Inverse distance cubed (ID3) was utilized for grade interpolation and was based on 1.52m (5 ft) composites and model blocks of 3m x 3m x 3m (10 ft x 10 ft x 10 ft).

(3) A bulk density for Buffalo Ankerite of 2.85 t/m³ (0.089 tons/ft³) was used for all volume to tonnes conversion based on the bulk density testing of approximately 307 samples.

Note 3 - in Reference to Table 3

(1) The resource estimate for Paymaster was prepared by Tudorel Ciuculescu, P.Geo (RPA Inc.), an independent Qualified Person in accordance with NI 43-101, using CIM Standards.

(2) Grade capping for Paymaster was at 24 gpt Au.

(3) Bulk density for Paymaster of 2.72 t/m³ was used for all tonnage calculations based on bulk density samples taken by Lexam.

Note 4 - in Reference to Table 4

(1) The resource estimate for Fuller was prepared by Katharine Masun, P.Geo (RPA Inc.), an independent Qualified Person in accordance with NI 43-101, using the CIM Standards.

(2) Grade capping for Fuller was at 34.3 gpt Au.

(3) Bulk density for Fuller of 2.80 t/m³ was used for all tonnage calculations based on bulk density samples taken by Lexam during 2011 to 2012.

Note 5 - in Reference to Table 5

(1) The resource estimate for Davidson Tisdale was prepared by Eugene Puritch, P.Eng and Yungang Wu, P.Geo. (P&E Mining Consultants Inc.), each an independent Qualified Person in accordance with NI 43-101, using the CIM Standards.

(2) Grade capping for Davidson Tisdale ranging from 20 gpt to 50 gpt was utilized on raw assays for the mineralized domains. Ordinary Kriging was utilized for grade interpolation.

(3) Bulk density for Davidson Tisdale of 2.87 t/m³ was used for all tonnage calculations based on bulk density samples taken by the authors of this resource estimate.

The resource estimates contained herein do not constitute a Feasibility or Pre-Feasibility study and contain no mineral reserves within the meaning of NI 43-101 or SEC Industry Guide 7. The mineral resource figures referred to in this press release are estimates and therefore insufficient to allow meaningful application of the

technical and economic parameters to enable an evaluation of technical or economic viability and no assurances can be given that the indicated levels of gold content will be achieved. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this press release are well established, resource estimates are imprecise by their nature and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. In addition, this news release includes Inferred resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves.

Cautionary Note to U.S. Investors

All resource estimates reported by Lexam VG Gold are calculated in accordance with NI 43-101 and the Canadian Institute of Mining and Metallurgy Classification system. These standards are different from the standards generally permitted in reports filed with the SEC. Under NI 43-101, Lexam VG Gold reports indicated and inferred resources, measurements which are generally not permitted in filings made with the SEC. According to Canadian NI 43-101 criteria, the estimation of indicated resources involve greater uncertainty as to their economic feasibility than the estimation of proven and probable reserves. Under SEC Industry Guide 7 criteria, measured, indicated and inferred resources are considered Mineralized Material. The SEC considers that in addition to greater uncertainty as to the economic feasibility of Mineralized Material compared to Proven and Probable reserves, there is also greater uncertainty as to the existence of Mineralized Material. U.S. investors are cautioned not to assume that Measured or Indicated resources will 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.

Caution Concerning Forward-Looking Statements

This press release contains certain forward-looking statements and information. The forward-looking statements and information express, as at the date of this press release, Lexam VG Gold's plans, estimates, forecasts, projections, expectations or beliefs as to future events and results. Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Risks and uncertainties that could cause results or future events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, factors associated with fluctuations in the market price of precious metals, mining industry risks, risks related to: litigation, property title, the Paymaster Option, the state of the capital markets, whether shareholder and regulatory approvals for any proposed transaction are forthcoming, environmental risks and hazards, uncertainty as to calculation of mineral resources and reserves and other risks. Readers should not place undue reliance on forward-looking statements or information. Lexam VG Gold undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. See Lexam VG Gold's Annual Information Form for the period ended December 31, 2012 and available on SEDAR (www.sedar.com) for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. All forward-looking statements and information made in this news release are qualified by this cautionary statement.

To learn more about Lexam VG Gold (TSX: LEX), visit our website: www.lexamvggold.com.

To view the figure associated with this release, please visit the following link:
<http://media3.marketwire.com/docs/lex603i.pdf>.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Contacts:

[Lexam VG Gold Inc.](#)

Mihaela Iancu, Director, Corporate Administration
(647) 258-0395 ext. 320 or Toll Free: (866) 441-0690
(647) 258-0408 (FAX)
info@lexamvggold.com
www.lexamvggold.com

Mailing Address:

Lexam VG Gold Inc.
181 Bay Street, Suite 4750, P.O. Box 792
Toronto, ON, Canada M5J 2T3

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