

# Liberty Mines Enters Agreement to Acquire Snow Lake Gold Mine

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TORONTO, ONTARIO--(Marketwired - Aug 29, 2013) - [Liberty Mines Inc.](#) (TSX:LBE) has entered into a binding term sheet with [QMX Gold Corp.](#) to acquire the Snow Lake gold project in Manitoba (the "Snow Lake Property"). The completion of this transaction will position Liberty Mines as a near term gold producer with two fully permitted mills located in two leading Canadian gold camps. Liberty Mines, upon completion of this transaction, will have the following profile:

- Immediate medium-term growth potential targeting 80,000 ounces of gold per year at the Snow Lake Property, with projected total cash costs estimated at CDN\$852 per ounce gold.
- Measured and indicated resources of 5,471,000 tonnes grading 4.14 g/t Au for 728,000 oz Au (see Table 1 below); and additional inferred resources of 2,367,000 tonnes grading 4.43 g/t Au for 336,700 oz Au.
- Proven and probable reserves from these resources are calculated to be 3,477,000 tonnes grading 4.04 g/t Au for 451,900 oz Au (See Table 2 below).
- Two mills (1,500 tpd capacity Redstone Mill in Timmins, Ontario and 2,150 tpd capacity Snow Lake Mill in Snow Lake, Manitoba) strategically located in two leading Canadian gold districts providing a platform for regional consolidation and future production growth, including custom milling.

The Snow Lake Property's assets include the New Britannia Mine with associated plant, infrastructure, and equipment including a fully permitted 2,150 tonne per day modern mill and tailings facility. The property consists of approximately 104 km<sup>2</sup> of mineral claims and leases containing over ten known mineralized zones, including four gold deposits with 43-101 resources, three of which are historic production sites. The Snow Lake camp is highly prospective for gold mineralization and hosts the Lalor gold project, owned by [HudBay Minerals Inc.](#)

The 2010 feasibility study (the "Feasibility Study") of the Snow Lake Property will be the basis upon which Liberty Mines expects to re-commence production activities. The Feasibility Study can be found under QMX's company profile on SEDAR and highlights of the Feasibility Study include:

- Pre-Production Capital Expenditures \$40.8 million;
- Payback Period 1.7 years;
- Recoveries 93.3 %;
- Average Annual Production 83,000 oz.Au;
- Mine Life 5 years; and
- Accumulated Cash Flow (Pre Tax) \$140.7 million.

The Feasibility Study was based on an average gold price of \$1,150, which demonstrates the robustness of the mine at current gold prices. The current owner of the property has refined the Feasibility Study to consider leasing equipment and other improvements. Liberty Mines will have the benefit of all of the technical work that has been completed at the Snow Lake Property, and will work to decrease the currently projected total capital expenditure of approximately \$50 million to develop the project.

The Feasibility Study outlined estimated proven and probable reserves of 450,000 ounces of gold at a 4.04 g/t average grade. Including the estimated mineral reserve, the project has measured and indicated resources of 725,000 ounces at 4.14 g/t and inferred resources of 336,000 ounces at 4.43 g/t. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. Please see the tables below for further details on the mineral reserve and mineral resource estimates.

Table 1: Snow Lake Property Resource Estimates, Snow Lake, Manitoba, as at October 27, 2010

Mineral Resource	Tonnes	Grade (g/t)	Ounces Au
Measured	7,000	4.76	1,000
Indicated	5,464,000	4.14	727,000

Measured and Indicated Resources	5,471,000	4.14	728,000
Inferred Resources	2,367,000	4.43	336,700

Table 2: Snow Lake Mine Reserve Estimate, Snow Lake, Manitoba, as at October 29, 2010

Reserves	Tonnes	Grade (g/t)	Ounces Au
Proven	7,000	3.81	900
Probable	3,470,000	4.04	451,000
Total Proven and Probable	3,477,000	4.04	451,900

The Feasibility Study dated December 14, 2010 entitled "Technical Report NI 43-101 Feasibility Study, Snow Lake Mine Re-activation Project", was prepared for [QMX Gold Corp.](#) as an independent National Instrument 43-101 (NI 43-101) compliant technical report and is available under QMX's company profile on [www.sedar.com](http://www.sedar.com). The Feasibility Study was compiled by Andre Roy, Eng. Manager Mines & Geology (Abitibi), Genivar, an independent Qualified Person as defined pursuant to NI 43-101. The following areas of the Feasibility Study are the responsibility of the listed Qualified Persons: - Resources - Jamie Lavigne, P.Geo., Vice-President, Exploration with Alexis Minerals; - Reserves - Andre Roy, Eng., Manager Mines & Geology (Abitibi), Genivar; Rock Mechanics - Dave West, P.Eng, Dave West Consulting Ltd.; Tailings Management Facility - Matthew Parfitt, P.Eng, Specialist; Engineer/Project Manager, Knight Piesold Ltd. Environmental - Mark Bednarz, B.E.S., P.Geo, Sr. Environmental Geoscientist, BZ ; - Metallurgy - Ian Ward, P.Eng., Independent Consultant; Final Compilation - Andre Roy, Eng., Manager Mines & Geology (Abitibi), Genivar.

As set out in the Feasibility Study, historical production at the Snow Lake Property occurred from 1949 to 1958 and 1995 to 2005 and totaled 12.1 million tonnes at 4.23 g/t Au for 1.44 million ounces. For the period of 1997 to 2002, production at the Snow Lake Property averaged over 100,000 ounces of gold per year. Near term production targets include the Main Mine and the No. 3 Zone, both of which have strong upside exploration potential at depth and potentially along strike.

### Transaction Terms

Liberty Mines has entered into a binding term sheet with [QMX Gold Corp.](#) to acquire a 100% interest in the Snow Lake Property through the acquisition of QMX's wholly-owned subsidiary, in consideration for a cash payment of USD\$20,000,000 to QMX. As a deposit on the purchase price, Liberty Mines has placed USD\$1,000,000 into with the trust account of its legal counsel, which deposit will be released from the trust and paid to QMX upon the execution of a definitive purchase agreement. The execution of the definitive agreement shall remain subject to, among other things, Liberty Mines completing its satisfactory due diligence review of the Snow Lake Property. The remaining purchase price of USD\$19,000,000 shall be paid upon closing of the transaction which is expected to occur on or before November 25, 2013, or Liberty Mines shall pay an extension fee of USD\$100,000 to extend closing until January 14, 2014. Closing of the acquisition remains subject to receiving all necessary government, shareholder and regulatory approvals, as applicable, in Canada and China and Liberty Mines securing the financing necessary to complete the acquisition.

### New CEO for Near Term Gold Producer

In connection with the proposed acquisition, and effective as of today, Liberty Mines has appointed David Rigg as its president and chief executive officer. Mr. Rigg is the former chairman, president and chief executive officer of QMX Gold and has detailed knowledge of the Snow Lake Property.

Shu Wu, the Chairman of Liberty Mines, commented "We welcome David Rigg to the Liberty Mines management team. We plan to re-commence production activities at Snow Lake Property as soon as possible and believe that Mr. Rigg is the person who is best positioned to lead us through that process. On behalf of the board, I would also like to thank Pat Gleeson for his efforts during his tenure as president and chief executive officer - over two summer months, Mr. Gleeson has led the turnaround of Liberty Mines from a bankruptcy candidate to a company with an exciting future as a near term gold producer."

### Qualified Persons

The technical and scientific content of this press release has been reviewed and approved by David M. Rigg, P.Geo. a qualified person under NI 43-101. As the newly appointed President and CEO of Liberty, Mr. Rigg is not considered independent.

### About Liberty Mines Inc.

[Liberty Mines Inc.](#) owns the only nickel concentrator in the Shaw Dome area, a prospective nickel belt region near Timmins, Ontario. Liberty Mines also owns two former producing nickel mines and a prospective land package near Timmins, Ontario.

## CAUTIONARY STATEMENTS

This document includes "forward-looking statements", as defined under applicable securities laws. All statements, other than statements of historical fact, including statements regarding the impact of the acquisition on Liberty Mines, the timing of completion of transaction, future plans and objectives of Liberty Mines, and the timing and completion of necessary financing and its consequences are forward looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Liberty Mines' expectations are: insolvency risks; regulatory approvals; environmental risks and other risks inherent in the mining industry, as described in Liberty Mines' public filings. Forward-looking statements speak only as of the date on which they are made. Liberty does not undertake to publicly update any such statement, except where required by securities regulations. Accordingly, readers should not place undue reliance on forward-looking statements.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained here.

## Contact

[Liberty Mines Inc.](#)  
David Rigg  
President & CEO  
(416) 861-5889  
[drigg@libertymines.com](mailto:drigg@libertymines.com)

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