

NWM Announces 56% Increase in Reserves at Lluvia de Oro Project to Support Expanded Production Plans and an Update on Loan Extension Activities

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TORONTO, Nov. 7, 2013 /CNW/ - [NWM Mining Corp.](#) ("NWM" or the "Company") (TSX-V: NWM) is pleased to provide an updated mineral resource and reserves estimate at the company's Lluvia de Oro ("Lluvia") project. Total reserves for the project -- which encompasses the Creston and Gold Ridge mines and the Jojoba deposit - are now estimated at 600,000 ounces (43 million tonnes at a combined grade of 0.43 g/t gold). The new reserve estimate represents a 56% increase from the previous estimate completed in 2010.

Darren Koningen, President and CEO for NWM noted "This new mineral reserve estimate provides direct confirmation of the geological model developed for Creston earlier this year and our belief in the project's untapped potential. We are extremely pleased with the current results which exceeded expectations and support the company evolving plans to increase the overall project production profile and mine life. In addition, due to the very limited scope of the Phase 1 work we look forward to the initiation of Phase 2 of our drill program planned for early 2014 that is aimed at testing the strike extensions for both the Gold Ridge and Creston mines."

2013 Exploration Accomplishments

- The development of an entirely new geological model/database for the Creston deposit which better explains the source and distribution of gold as well as geological similarities between the deep mineralization at Creston and adjacent parallel exploration targets like Gold Ridge which was brought into production in 2013.
- Completion of a Phase 1 drill program in 2013 totaling 5,765 meters in 68 holes that when combined with the new geological database resulted in a 56% increase in total estimated mineral reserves for the Lluvia de Oro project.
- Phase 1 increase in mineral reserves for Lluvia project represent a discovery cost of US\$1.50 to US\$2 per ounce of gold.
- The preliminary definition and initiation of mining operations at a significant new zone of mineralization (Gold Ridge) that is roughly parallel (west) to the Creston deposit. To date only a 400m length of this over 2km structure has been defined by drilling.
- Confirmation that the Creston and Gold Ridge mines appear to remain open along strike (and at depth) for additional exploration and that an additional parallel structure similar to that at Gold Ridge may exist on the east side of the Creston deposit.

New National Instrument 43-101 ("NI 43-101") Reserve and Resource Estimation

The new mineral reserve estimate was completed by Neil Gow, P. Geo., an independent consultant and Darren Koningen, P. Eng. Due to the material changes in mineral reserve and mineral resource estimates over the previously released NI 43-101 compliant report for the Lluvia de Oro property ("Pre-Feasibility Report and Reserve Analysis", July 8 2010), an updated technical report will be filed on SEDAR within 45 days of the date of this release.

The new mineral reserve estimates for the Lluvia de Oro project (Creston and Gold Ridge mines and the Jojoba deposit) is detailed below in Table 1. When compared to the prior reserves (2010), the current estimate for the project represents an increase in ounces of approximately 56%.

Table 1. Mineral Reserve Estimates for the Lluvia de Oro Project

Classification	Tonnes (millions)	Grade (g/t gold)	Gold Ounces
Proven			
Creston mine	22.2	0.38	275,000
Gold Ridge mine	1.9	0.34	21,000
Jojoba deposit	6.4	0.71	146,000
Probable			
Creston mine	8.7	0.36	92,000
Gold Ridge mine	1.0	0.36	10,000
Jojoba deposit	3.2	0.54	56,000
Project Totals (Proven + Probable)	43.4	0.43	600,000

Notes

1. CIM definitions were followed for Mineral Reserves.
2. Mineral Reserves are estimated at a cut-off of 0.12 g/t gold for Creston, 0.16 g/t gold for Gold Ridge and 0.15 g/t gold for Jojoba.
3. Mineral Reserves are estimated using a long-term gold price of US\$1,300/oz and a \$US/\$CDN exchange of 1.00.
4. Bulk density is 2.49t/m³.
5. Numbers may not add up due to rounding.
6. Mineral Reserves are contained in pit shells developed using appropriate software and current mining costs from Lluvia de Oro operations.
7. Mineral Reserve tonnages include 2% mining losses.

As mining operations are underway at the Creston and Gold Ridge deposits current cost data was utilized for the production of mineral reserve estimates. Ultimate pit shells were generated from the deposit block models using variable costs of US\$1.60 /tonne for mining and US\$1.50 /tonne for processing. Based on available data it was assumed that over the life-of-mine (LOM) 25% of the Creston/Gold Ridge deposits would require crushing and 40% of Jojoba (contract crushing rate of US\$2/tonne). Ultimate gold recoveries were conservatively assigned at 60% for the Creston and Gold Ridge mines and 65% for the Jojoba deposit with a total 3% deduction from gold sales to account for royalties and refining costs.

Following the generation of the ultimate pit shells for each of the deposits an internal cut-off was calculated for the production of reserve estimates. This was based on the operating costs outlined above with the inclusion of a US\$1 /tonne (ore) minimum profit factor. Gold recoveries for cut-off grade material were reduced to 50% and it was also assumed that crushing of this lower grade ore would not be economical.

The updated mineral resource estimates for the Lluvia de Oro project are summarized in Table 2 below.

Table 2. Mineral Resource Estimates for the Lluvia de Oro Project

Resource Category	Tonnes (millions)	Grade (g/t gold)	Gold Ounces
Measured			
Creston mine	22.6	0.38	273,000
Gold Ridge mine	1.9	0.34	21,000
Jojoba deposit	6.5	0.71	149,000
Indicated			
Creston mine	8.9	0.36	102,000
Gold Ridge mine	1.0	0.36	11,000
Jojoba deposit	3.3	0.54	57,000
Project Totals (Measured + Indicated)	43.7	0.44	613,000
Inferred			
Creston mine	11.6	0.23	86,000
Gold Ridge mine	0.8	0.28	7,000

Jojoba deposit	0.7	0.44	10,000
Total Inferred Resources	12.6	0.25	103,000

Notes (for Table 2)

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off of 0.12 g/t Au for Creston, 0.15 g/t Au for Gold Ridge and 0.15 g/t Au for Jojoba.
3. Mineral Resources are estimated using a long-term gold price of US\$1,300/oz for Creston and Gold Ridge mines (\$1200/oz for Jojoba) and a \$US/\$CDN exchange of 1.00.
4. Bulk density is 2.49t/m³.
5. Mineral Resources are inclusive of Mineral Reserves.
6. Numbers may not add up due to rounding.
7. The effective date for the Resources estimate is July 31, 2013.
8. Mineral Resources are contained in pits developed using appropriate software.

The increased mineral resource results from the completion of the 2013 drill program which included 68 drill holes covering approximately 5,765m of reverse circulation (RC) drilling completed by the end of June 2013 in the vicinity of the known mineralization at Creston and Gold Ridge mines. In addition 16,500m of data were also added to the current geological database from drilling completed in 2010 and 2011 (note: this drilling was not limited to areas adjacent to Creston and Gold Ridge mines). Both deposits appear to remain open along strike.

Jojoba Mineral Resources / Mineral Reserves

The focus of the new exploration work completed in 2013 was limited to the vicinity of the Creston mine (includes Gold Ridge). No new drilling or geological interpretations have yet been completed at the Jojoba deposit. Consequently the resource model completed for the Jojoba deposit in the previous NI 43-101 report (2010) has been examined and accepted by the QPs Messrs. Gow and Koningen. Mineral reserves at the Jojoba deposit were then re-estimated based on this model and using the same current economic parameters outlined for Creston/Gold Ridge as well as long-term gold prices (US\$1300 /ounce).

For the current estimates only inferred resources contained inside the pit limits have been reported. Future exploration programs are planned for the Jojoba area in order to determine the potential for additional mineralization.

Amendment to Company Loan Agreement with Renvest

As previously announced on October 1 and October 31, 2013 Global Resource Fund (the lender) has provided for a one month extension to the due date of the Company's current debt notes. The extension was provided to allow both parties (NWM Mining and Renvest Mercantile Bancorp) to complete the final documentation related to a restated credit agreement the terms of which were announced June 13, 2013. All other terms as were announced previously remain in place.

Pursuant to the ongoing efforts to complete the company's loan agreement extension documentation Global Resource Fund has agreed to temporarily defer and accrue the interest payment due October 31, 2013. The October interest payment together with the November interest payment will now both come due on November 30, 2013.

Qualified Persons

The preparation of the new mineral resource and mineral reserve estimates have been supervised by Messrs. Neil Gow, P.Geo., and Darren Koningen, P.Eng. both Qualified Persons under N 43-101. This press release has also been reviewed by Mr. Darren Koningen, P. Eng., NWM Mining's CEO and President.

All RC drill samples from the 2013 program were collected by NWM Mining personnel including the company's exploration geologists and trained mine technicians. RC drill samples were collected every 1.5m in two 5 gallon buckets. The entire sample is then weighed and split in half using a single Jones-type splitter. One half of the sample is then further reduced, through the Jones splitter with one half (one quarter of the original sample) bagged for analysis at the NWM laboratory facilities. The remaining half is bagged for storage in the project warehouse. Blanks, duplicates and standards were randomly inserted with the samples sent for analysis as part of the normal QA/QC procedures.

All samples were prepared and analyzed for gold using fire assay procedures with an Atomic Adsorption Spectroscopy ("AAS") finish. Check samples were regularly sent from the NWM laboratory facilities to ALS-Chemex in Hermosillo, Mexico for QA/QC purposes.

About NWM Mining Corporation

NWM is in commercial gold production at its wholly owned Lluvia gold project. The mine is an open pit heap leach operation in Sonora State, Mexico. Management believes the property is significantly under-explored and hosts potential to provide further gold discoveries and resource and reserve upgrades. While management has focused in the past on developing the mine and supporting cash flows, the focus in 2013 will shift to increasing mining rates and drilling to expand geological resources and reserves.

Additional information about NWM can be found on the NWM website at www.nwmcorp.ca or on SEDAR at www.sedar.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy of this release.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This news release includes "forward-looking information", as such term is defined in applicable securities laws. Forward-looking information includes, without limitation, the success of exploration activities, price outlooks, production expectations and other similar statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All statements are made as of the date of this news release and the Company is under no obligation to update or alter any forward-looking information.

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