

# Gowest Gold Signs Letter of Intent; Plan to Process Frankfield East Gold Deposit Ore at Kidd Operations Mill in 2015

29.05.2013 | [Marketwired](#)

[Gowest Gold Ltd.](#) (TSX VENTURE:GWA) (OTCBB:GWSAF) ("Gowest" or the "Company") is pleased to announce that it has entered into a non-binding Letter of Intent with [Glencore Xstrata's](#) Kidd Operations, located in Timmins, Ontario. The plan is to refurbish the Division 'D' line of the mill at Kidd Operations to process Gowest's ore into a high-grade (+90 grams per tonne) gold concentrate. The proposed arrangement between the companies significantly reduces the cost and time to commercial production of the Frankfield East gold deposit.

## Highlights of the collaboration between Gowest and Glencore Xstrata:

- Utilizes excess capacity at the Kidd Operations mill, reducing overall milling costs and increasing revenue;
- Significantly reduces Gowest capital cost requirements by an estimated \$107mm in avoiding the construction of a stand-alone facility (\$60mm vs. \$167mm)\*; and,
- Enables Gowest to begin commercial production 2-3 years earlier since a new mill would not have to be constructed.

\* See news release dated November 12, 2012 and NI 43-101 Technical Report dated November 11, 2011.

Gowest has completed a detailed concept engineering study for the mill refurbishment and is now advancing detailed mining plans and initiating a feasibility study. A Definitive Agreement is expected in the latter part of 2013.

Gowest is planning to begin commercial production of its Frankfield East gold deposit in 2015.

Gowest President and CEO, Greg Romain, said, "We have achieved an extremely important milestone in our plans to develop our Frankfield East deposit into the next new gold mine in the Timmins Camp. I am confident that, with the expertise and dedication of the team, we will achieve this goal." He added, "The use of the Kidd Operations mill will significantly reduce our capital expenditures and expedite our path to generating cash flow. It is also evidence of Glencore Xstrata's willingness to support the continued development of the Timmins economy."

Qualified Person: This press release has been reviewed by Mr. Kevin Montgomery, P.Geo., Gowest's Manager of Exploration, and a Qualified Person under National Instrument 43-101.

## About Gowest

[Gowest](#) is a Canadian gold exploration and development company focused on the delineation and development of its 100% owned Frankfield East gold deposit, part of the Company's North Timmins Gold Project (NTGP). Gowest is exploring additional gold targets on the 107-square-kilometre NTGP land package and continues to evaluate the area, which is part of the prolific Timmins, Ontario gold camp. The latest updated resource estimate for Frankfield East included approximately 945,600 ounces of gold ("Au") in the Indicated category (6.0 million tonnes at a grade of 4.9 grams per tonne ["g/t"] Au) and 536,800 ounces of gold in the Inferred category (3.7 million tonnes at a grade of 4.2 g/t Au). As was used in the Company's recent Preliminary Economic Assessment, the current estimate is based on a 3.0 g/t Au cut-off and a conservative gold price of US\$1,200/oz. This resource estimate has been completed by Neil N. Gow, P.Geo., an independent Qualified Person, and reported in accordance with Canadian Securities Administration National Instrument 43-101 ("NI 43-101") requirements and CIM Standards on Mineral Resources and Reserves.

## Forward-looking statements

*This news release contains certain "forward-looking statements". Such forward-looking statements involve risks and uncertainties. The results or events depicted in these forward-looking statements may differ materially from actual results or events. Any forward-looking statement speaks only as of the date of this news release and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.*

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/162636--Gowest-Gold-Signs-Letter-of-Intent-Plan-to-Process-Frankfield-East-Gold-Deposit-Ore-at-Kidd-Operations-Mill-in-2>

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