

Banks Island Gold Ltd. Reports First Cash Flow from Yellow Giant Project

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- Provisional payment on first concentrate shipment received for proceeds of CDN\$615,000

- Underground mine development at Bob advancing rapidly to 2nd level.

- Mining of Bulk Sample at Bob Zone scheduled for March.

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Feb 11, 2014) - [Banks Island Gold Ltd.](#) (TSX VENTURE:BOZ) (the "Company") is pleased to report an update on the Bob Zone bulk sample program at the Yellow Giant Gold Property, located on Banks Island, British Columbia.

Provisional Payment on First Concentrate Shipment

The Company reports that it has received a provisional payment of US\$560,000 (~CDN\$615,000) for the first shipment of gold concentrate from the Yellow Giant project. The provisional payment represents 90% of the total invoice for the shipment and final settlement is expected to occur in approximately 2 months.

The first shipment was processed from approximately 500 tonnes of mineralized material mined from the B10 level (1st level) at the Bob Zone. Two previously drilled diamond drill holes were encountered in the underground workings at B10 level as displayed in Table 1.

Table 1 - Diamond Drill Holes intersected at B10 level of Bob Zone

Hole	From (m)	To (m)	Core		Au (gpt)	Ag (gpt)	Cu (%)
			Interval (m)	True Width (m)			
BOB12-04	41.5	45.5	4.0	3.3	38.0	95	1.0
BOB12-07	37.9	44.3	6.4	5.0	37.8	114	1.4

The first shipment was comprised of two lots. Lot 1 (129 dry tonnes of concentrate grading 62.9gpt Au) was concentrate produced from the DMS Plant. Lot 2 (294 dry tonnes of concentrate grading 38.8gpt Au) was fines material (-1mm) that bypassed the DMS plant and was bagged and shipped at insitu grade.

The high grade material processed from the B10 level was composed of massive sulphide mineralization. During crushing, a high proportion of material (~60%) was pulverized to a sizing below 1mm (fines). These fines are screened out of the crushed feed material and consequently a substantial portion of Mill Feed was

not concentrated by the DMS Plant. This level of fines generation is not typical and should normally be less than 25%. The Company has replaced its (rented) crushing plant to reduce fines generation in future processing.

The Lot 2 fines material was essentially pulverized mineralization with very similar grades to those expected from diamond drill intersections in the area. The Company was able to negotiate and sell this material even though it did not meet the contracted minimum grade of 50gpt Au. Table 2 displays the two lots that comprised the first concentrate shipment.

Table 2 - First Shipment Concentrate Grade

LOT	Sizing	Dry Tonnes	Au (gpt)	Ag (gpt)	Cu %
1	+1mm to 1/2"	129.0	62.9	266	5.2
2	-1mm	294.4	38.8	111	1.5
Total		423.5	46.1	158	2.6

The Company is replacing the initially installed impact crusher with jaw and cone crushing units, which are scheduled to arrive on February 17th. The new crushing plant is expected to dramatically decrease fines generated from crushing. All fines material will be processed using flotation once the grinding and flotation circuits are commissioned. The Company has also purchased a spiral concentrator to test upgrading of DMS fines material to improve the grade of this gravity concentrate as an interim measure.

Bob Bulk Sample - Progress and Schedule

The Company reports that underground mine development is efficiently proceeding at Bob, the first of its four high grade gold deposits, with advance of the Bob decline at a rate of ~6m per day and expects to reach the planned extraction drift (B30 level (2nd level)), for mining the majority of the bulk sample on February 19th. The B30 level will provide mill feed from development in mineralization and, when completed, will provide a drill platform and extraction level for bulk long hole mining of the upper Bob Zone. The B30 level is scheduled for completion by February 28th and the mine development required for full extraction of the Upper Bob Zone scheduled to be completed by March 5th. Mine development crews will then move to commence development at the Tel Zone. The planned mine development showing the anticipated four week schedule is displayed in Figure 1.

Longhole drilling for bulk mining is scheduled to commence on February 15th and continue until mid-March. Mineralized material will be generated throughout this period through intermittent blasting of stopes. The Company anticipates mining 9,000 tonnes of mineralized material from the upper Bob Zone from the period of February 19th through March 15th. The planned longhole schedule is displayed in Figure 2.

The Company has drilled 3 additional diamond drill holes to determine the extent of skarn lithology adjacent to mineralization in the planned stopes at the upper Bob Zone. Based on the drilling results, the Company believes that the majority of the upper Bob Zone can be processed through the DMS Plant to make saleable concentrate. The plans related to construction and commissioning of the grinding and flotation circuit, disclosed by news release on January 15th, are ongoing and progress will be reported over the coming months.

To view "FIGURE 1 - Bob Mine Development Schedule," please visit the following link:
<http://media3.marketwire.com/docs/Boz10Fig1.pdf>.

To view "FIGURE 2 - Bob Longhole Mining Schedule," please visit the following link:
<http://media3.marketwire.com/docs/Boz10Fig2.pdf>.

Bob Zone Bulk Sample - Mineral Resource Estimate

Based on the current Mineral Resource model the estimate for the area of mineralization to be mined as the bulk sample is displayed in Table 1.

Table 1 - Bulk Sample (Upper Bob Zone) Mineral Resource

	Measured	Indicated	Inferred

Zone	Au Grade		Ag Grade		Au Grade		Ag Grade		Au Grade		Ag Grade	
	Tonnes	(gpt)	(gpt)	Tonnes	(gpt)	(gpt)	Tonnes	(gpt)	(gpt)	Tonnes	(gpt)	(gpt)
Upper Bob Zone (Bulk Sample)	2,900	40.9	65	4,800	40.2	60	1,300	36.7	53			

Total Measured & Indicated: 7,700 tonnes @ 40.5gpt Au & 62gpt Ag = 10,000oz Gold, 15,000oz Silver

Total Inferred: 1,300 tonnes @ 36.7gpt Au & 53gpt Ag = 1,500oz Gold, 2,000oz Silver

The Upper Bob Zone mineral resource estimate is a subset of the current mineral resource disclosed in the NI43-101 *Technical Report on the Yellow Giant Gold Property* dated February 1st 2013 prepared by independent consultant, Mr. Robert Baldwin, P.Eng. available on SEDAR and on the Company's website. The mineral resource was calculated using Minesight® 3D software, a commercial and industry accepted geology software at a 6gpt Au cut-off grade. The cutting of high gold and silver assays was performed before resource inventory calculations were made. Gold assays were cut to 157gpt and silver assays were cut to 200gpt.

The Company is not basing its production decision on a feasibility study of mineral reserves with demonstrated economic and technical viability. [Banks Island Gold Ltd.](#) has decided to put the Property into production without first establishing mineral reserves supported by a NI43-101 compliant technical report and feasibility study. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Company cautions readers that such production may not be economically feasible and historically such projects have a much higher risk of economic or technical failure.

Mr. Mossman, President and CEO of the Company stated; *"It is with great satisfaction to report the Company's first cashflow and confirmation of the high grade gold mineralization at Yellow Giant. Upon successful mining and processing of the Bob bulk sample we will have a seasoned team and the resources to push towards full production at the Yellow Giant Gold Project. We are very excited about our transition to a gold producer and look forward to continuing the growth of both the Yellow Giant project and Banks Island Gold."*

Mr. Benjamin Mossman P.Eng, CEO of Banks Island Gold is the qualified person who reviewed and approved the contents of this news release.

Analytical work on concentrates was carried out by ALS Mineral Services in North Vancouver, British Columbia. Quality assurance and quality control programs include the use of analytical blanks, standards, and duplicates in addition to the lab's own internal quality assurance program. Samples are fire assayed with a gravimetric finish to determine gold and silver values.

The Company is a junior mining resource exploration company focused on exploring for and developing economically viable mineral resources. The Company's mineral property is located in British Columbia. For more information, please refer to the Company's website at www.banksislandgold.com.

ON BEHALF OF THE BOARD OF DIRECTORS

Benjamin W. Mossman, P.Eng, President, Director, & Chief Executive Officer

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This press release contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include but are not limited to: risks related to the exploration and potential development of the Company's project, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of gold, as well as those factors discussed in the sections relating to risk factors of the Company prospectus dated September 30, 2011 filed on SEDAR.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

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