

Paramount Gold's Sleeper Project Re-Logging Program Finds Unassayed Core with Good Gold Grades

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Intervals Thought to Be Barren by Previous Operator Return Samples Up to 7.65 g/T Au; May Increase In-Pit Resource Size and Grade

WINNEMUCCA, NEVADA -- (Marketwired - Apr 1, 2014) - [Paramount Gold and Silver Corp.](#) (NYSE MKT:PZG) (TSX:PZG) (FRANKFURT:P6G) (WKN:A0HGKQ) ("Paramount") announced today that assays of core from 19 holes drilled on Paramount's 100%-owned Sleeper Gold Project in Nevada by a previous owner have returned significant gold values. The core had not previously been split or assayed.

In 2013, Paramount commenced a program of re-logging core from 54 core holes representing 18,900 meters drilled into the Sleeper Gold Project by previous operators between 2004 and 2007. The aim was to update the geological model and interpretations for the original Sleeper deposits to assist in the search for similar occurrences in the district which has been consolidated under Paramount ownership. During the process of re-logging, remodeling, and improving the extensive database, Paramount staff discovered numerous intervals of core within the Sleeper deposit which had never been sawn and assayed--many of them located inside the conceptual pit design contained in the project's 2012 Preliminary Economic Assessment (PEA). These unassayed intervals were typically entered into the database with no grade or an assumed grade of zero which would have had the effect of understating the resource size and grade.

A total of 1,846 new samples were collected in the re-logging program, each typically representing a 1.52 meter sample interval, for a total of 2,722 meters of core. These samples were selected from a total of 40 core drill holes that were drilled between 2004 and 2007 in the Sleeper, West Wood and Facility areas. Sampling and assaying of these intervals were performed by ALS Global at their Laboratories in Vancouver, Canada. Grades up to 7.65 g/T of gold and 49.3 g/T of silver were reported with an outstanding 21% (383 samples representing 547 meters of core) returning gold grades over the PEA global cut off of 0.1 g/T. These 383 samples had a weighted average grade of 0.49 g/T of gold and 1.9 g/T of silver. Moreover, 5% of these samples returned grades over 0.5 g/T of gold with an average of 1.23 g/T and 2.2 g/T of silver. Partially sampled drill hole WW-18-04 intersected 18.9 meters grading 1.48 g/T of gold while WW-27-04 returned 55.5 meters grading 0.51 g/T of gold and 1.97 g/T of silver. Both holes were drilled in the West Wood area in 2004.

This new data along with an additional 33 core holes drilled by Paramount since the last resource update are now being incorporated by SRK Consulting (www.srk.com/en) into an updated resource estimate expected to be completed in June, 2014. Significant assay results from this newly split and assayed core are as follows:

Hole -ID	From (m)	To (m)	Width (m)	Au g/T	Ag g/T
WW-27-04	429.77	445.01	15.24	0.49	1.55
	487.68	543.19	55.50	0.51	1.97
XC-06-14	144.78	148.10	3.32	0.28	2.16
	151.85	169.96	18.11	0.22	0.51
XC-07-21	25.30	34.41	9.11	0.52	3.75
	38.74	41.15	2.41	0.33	2.47
	51.82	60.05	8.23	0.21	2.14
	72.05	79.19	7.13	0.78	0.79
	80.50	111.86	31.36	0.27	0.58
	114.30	126.49	12.19	0.26	0.47
	144.78	166.12	21.34	0.16	0.51
MC-41-04	606.55	611.13	4.57	0.66	0.63
	146.91	152.10	5.18	0.34	7.76
XC-07-43	153.35	166.73	13.38	0.52	4.61
	168.40	175.26	6.86	0.18	1.78
XC-07-44	83.09	89.58	6.49	0.24	2.96
	95.19	109.73	14.54	0.59	8.21
	115.82	120.40	4.57	0.09	2.80

WW-22-04	123.44	128.02	4.57	0.82	0.50
	225.55	246.89	21.34	1.32	0.68
XW-07-56	178.31	190.04	11.73	0.25	0.38
WW-16-04	274.32	280.42	6.10	0.39	8.25
WW-19-04	294.13	300.23	6.10	0.33	2.43
	243.84	251.46	7.62	0.51	0.50
WW-18-04	257.56	262.13	4.57	0.29	0.53
	289.56	308.46	18.90	1.48	1.61
WW-37-05	66.75	109.42	42.67	0.57	0.55
WW-14-04	369.42	374.91	5.49	0.22	2.14
WW-13-04	227.69	270.36	42.67	0.59	0.56
WW-15-04	311.20	315.47	4.27	0.18	0.50
WW-29-04	175.26	182.27	7.01	0.42	0.50
WW-36-05	91.44	106.62	15.18	0.45	0.50
	139.90	173.74	33.83	0.15	4.25
MC021A	182.88	206.05	23.16	0.11	2.44
	234.70	248.41	13.72	0.23	5.03
	288.34	300.23	11.89	0.27	3.05
MC-46-04	376.43	381.00	4.57	0.53	0.53

The new geological model and structural interpretation developed as a result of the re-logging program have defined a new set of high priority exploration targets. Paramount is designing a drill program which will be prioritized once the new SRK resource model is received. Paramount staff believes there is significant potential to find a new high grade vein deposit in the large claim block that it holds in the district.

NI 43-101 Disclosure

Exploration activities at Sleeper are being conducted by Paramount Gold under the supervision of Glen van Treek, Exploration Vice President of the Company, and Bill Threlkeld, a Qualified Person as defined by National Instrument 43-101, both of whom have reviewed and approved this press release. An ongoing quality control/quality assurance protocol is being employed during the program including blank, duplicate and reference standards in every batch of assays. Samples are being assayed at ALS Global, Reno, Nevada while multi-element analysis is being performed in Vancouver, Canada. External check samples are also being conducted at Inspectorate Lab in Reno, Nevada.

Sleeper PEA

The Preliminary Economic Assessment led by Scott E. Wilson Consulting Inc. (renamed Metal Mining Consultants at www.metalminingconsultants.com) and originally released on July 30, 2012, specifies a development scenario for Sleeper consisting of a large-scale open pit mining operation with a heap leach processing plant handling both oxide and sulphide material, producing a gold-silver dore. The base case scenario incorporates an 81,000 tonnes per day operation (approximately 30 million tonnes per year throughput), resulting in a projected 17 year operation with average annual production of 172,000 ounces of gold and 263,000 ounces of silver. Projected life-of-mine average cash operating costs are US\$767 per ounce of equivalent gold recovered. Start-up capital costs for this project scenario are estimated at US\$346 million. Sustaining capital costs over the project's life are estimated at an additional \$278 million. Total capital cost contingencies over the project life are estimated at an additional \$64 million, bringing the total life of mine capital costs to \$688 million. The total cost of equivalent gold production (including cash operating costs and total capital and contingency costs over the life of the mine) is estimated at US\$996 per ounce.

At a gold price of US\$1,384 per ounce and a silver price of \$26.33 per ounce (the 3 year trailing average of gold and silver prices as at July 3, 2012), the base case has a US\$1.2 billion pre-tax net cash flow, a US\$695 million net present value at a 5% discount rate and an internal rate of return (IRR) of 26.8%. At US\$1,618 gold (the spot price on July 3, 2012), the total pre-tax net cash flow increases by 160% over the base case to US\$1.9 billion, the net present value at a 5% discount rate almost doubles to US\$1.2 billion and the internal rate of return improves to a robust 40%.

About Paramount

Paramount is a U.S.-based exploration and development company with multi-million ounce advanced stage precious metals projects in Nevada (Sleeper) and northern Mexico (San Miguel). Fully-funded exploration and engineering programs are now in progress at these two core projects which are expected to generate

substantial additional value for our shareholders.

The Sleeper Gold Project is located off a main highway about 25 miles from the town of Winnemucca. In 2010, Paramount acquired a 100% interest in the project including the original Sleeper high-grade open pit mine operated by Amax Gold from 1986 to 1996 as well as staked and purchased lands now totaling 2,570 claims and covering about 47,500 acres which stretch south down trend to Newmont's Sandman project. This acquisition is consistent with the Company's strategy of district-scale exploration near infrastructure in established mining camps. A PEA was completed for Sleeper and announced on July 30, 2012.

The San Miguel Project consists of over 142,000 hectares (over 353,000 acres) in the Palmarejo District of northwest Mexico, making Paramount the largest claim holder in this rapidly growing precious metals mining camp. The San Miguel Project is ideally situated near established, low cost production where the infrastructure already exists for early, cost-effective exploitation. A PEA for San Miguel was completed and announced on February 28, 2013.

SUMMARY OF PZG'S ESTIMATED NI 43-101 COMPLIANT RESOURCES

MEASURED AND INDICATED RESOURCES					
PROJECT	Tonnes	Au g/T	Au Ounces	Ag g/T	Ag Ounces
San Miguel	23,918,000	0.83	639,000	70.0	53,559,000
Sleeper	326,963,000	0.33	3,479,000	3.86	40,606,000
Total			4,118,000		94,165,000

INFERRED RESOURCES					
PROJECT	Tonnes	Au g/T	Au Ounces	Ag g/T	Ag Ounces
San Miguel	37,470,000	0.69	830,000	38.00	46,243,000
Sleeper	223,624,000	0.27	1,972,000	2.84	20,450,000
Total			2,802,000		60,693,000

For details on these resource estimates please see the following news releases: San Miguel Resource Estimate, September 5, 2012; and Sleeper Resource Estimate, July 30, 2012.

Cautionary Note to U.S. Investors Concerning Estimates of Indicated and Inferred Resources

This news release uses the terms "measured and indicated resources" and "inferred resources". We advise U.S. investors that while these terms are defined in, and permitted by, Canadian regulations, these terms are not defined terms under SEC Industry Guide 7 and not normally permitted to be used in reports and registration statements filed with the SEC. "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or prefeasibility studies, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves", as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in this category will ever be converted into reserves. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists or is economically or legally minable.

Safe Harbor for Forward-Looking Statements

This release and related documents may include "forward-looking statements" including, but not limited to: statements related to the interpretation of drilling results and potential mineralization; future exploration work at the Sleeper Gold Project and the MIMI and the expected results of this work; and the accuracy and reliability of projections contained in mineral resource estimates and Preliminary Economic Assessments. Forward-looking statements are statements that are not historical fact and are subject to a variety of risks and uncertainties which could cause actual events to differ materially from those reflected in the forward-looking statements including fluctuations in the price of gold, inability to complete drill programs on time and on budget, and future financing ability. Paramount's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Words such as "believes" "plans" "anticipates" "expects" "estimates" and similar expressions should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including, but not limited to: uncertainties involving interpretation of drilling results, environmental matters, lack of ability to obtain required permitting,

equipment breakdown or disruptions, and the other factors described in Paramount's Annual Report on Form 10-K for the year ended June 30, 2013 and its most recent quarterly reports filed with the SEC. Except as required by applicable law, Paramount disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this document.

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