

Integra Gold to Acquire Sigma-Lamaque Milling Facility and Mine

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(All Figures Are in Canadian Dollars Unless Otherwise Indicated)

VANCOUVER, BC--(Marketwired - September 03, 2014) - [Integra Gold Corp.](#) (TSX VENTURE: ICG) (OTCQX: ICGQF) ("Integra" or the "Company") is pleased to announce it has entered into an Asset Purchase Agreement to acquire the Sigma-Lamaque Milling Facility and Mines (the "Property"), adjacent to Integra's Lamaque Project (hereinafter referred to as "Lamaque South") in Val-d'Or, Québec (the "Transaction"). The Property is being acquired from Samson Bélair/Deloitte & Touche Inc. (the "Vendor"), who is acting as court-appointed receiver of the assets of [Century Mining Corp.](#) ("Century"). The aggregate purchase price is \$7.55 million, comprised of \$1.8 million in cash and 25 million common shares valued at \$5.75 million (based on share price of \$0.23 per share), subject to adjustment as discussed below ("Integra Shares"). Integra is paying \$500,000 of the cash consideration to a third party for the crusher and related assets located on the Property. The Transaction has received conditional approval from the TSX Venture Exchange and has been authorized by the Superior Court of Quebec, who granted a vesting order pursuant to the receivership process. Closing is scheduled for October 2014.

The assets to be acquired by Integra include a permitted 2,200 tonne per day ("tpd") milling complex and tailings facility adjacent to Lamaque South, as well as permitted underground infrastructure including three portals, mechanical shop, office, dry, equipment, and all mining concessions and mineral claims on the past-producing Property.

Concurrent with the Transaction the Company also announces it has independently entered into a separate agreement with a third party construction materials and mining service company (the "Waste Rock Company"), in which the Waste Rock Company has agreed to pay to Integra \$1,025,000 in cash in exchange for access and ownership over the waste rock on the Property as well as a portion of certain mining concessions. The Waste Rock Company will also assume all of the environmental reclamation obligations associated with their waste rock property, significantly reducing the overall obligation to Integra.

Transaction Highlights

- **Attractive Purchase Price:** Total acquisition cost of \$7.55 million, of which only \$1.8 million is cash. Of the cash consideration, Integra intends to use the \$1,025,000 payable to it by the Waste Rock Company for part of the consideration, resulting in a net cash outlay by Integra of \$775,000.
- **Substantial Asset Value:** Purchase price represents a significant discount to the replacement value of the milling and tailings infrastructure, estimated in 2014 by WSP Canada Inc. ("WSP"), an independent engineering firm, at approximately \$100 million exclusive of gold resources on the Property.
- **Minimal Share Dilution and No Debt Burden:** Secures future milling requirements for Lamaque South with limited share dilution and the assets will be vested in Integra free and clear of any claims, liabilities and encumbrances as a result of the court approval. Integra also did not incur any debt to finance the Transaction. Integra Shares issued as consideration are subject to a staged lock-up period of 18 months and certain sales restrictions, as further discussed below.

- **Reclamation Costs Mitigated through Waste Rock Agreement:** An independent third party environmental and engineering firm was retained by Integra to evaluate future environmental reclamation obligations at the Property. The evaluation concluded \$12.1 million will be required to complete full restoration work on the Property. After adjusting for the Waste Rock Company's removal of the waste rock and based on each parties' area of interest, Integra estimates its future reclamation obligations will be approximately \$5.0 million on the Property. In addition, there is a pre-existing \$3.5 million bond held in place with the Québec Ministry of Energy and Natural Resources ("MERN" or the "Ministry"). Integra and the Waste Rock Company have agreed, subject to the MERN's approval, to split this bond with \$2.5 million going towards Integra's future environmental reclamation needs and the balance to the Waste Rock Company. Accordingly, Integra estimates that the net environmental reclamation obligation payable in the future by Integra on the Property will be approximately \$2.5 million.
- **Sigma Milling Facility Adjacent to Flagship Project:** The milling facility is located less than 500 meters from the boundary of Integra's Lamaque South project. The mill is in excellent condition and has been well maintained throughout its care and maintenance period since May 2012. Operating capacity is in the range of 1,200 to 2,200 tpd.
- **Potential Integration of Underground Infrastructure:** Pre-existing, permitted and fully serviced portals and underground workings are in close proximity to the Parallel Zone at Lamaque South which could potentially be used to access mineralized zones. This development scenario could significantly reduce required underground development costs and the development timeline as a ramp from surface at the Parallel Zone would no longer be required. A drift from the existing underground working would reach the center of the Parallel Zone at an estimated vertical depth of 125 meters. Such access would enable a faster production ramp-up compared to the Preliminary Economic Assessment ("PEA") published on April 29, 2014.
- **Project Synergies:** The acquisition of the Property could reduce estimated capital and operating costs while also de-risking Lamaque South by, among others, securing processing capacity as opposed to the toll milling arrangements previously contemplated in the PEA. The original PEA estimated \$46 per tonne in processing costs under a toll milling scenario, including transportation. Of that amount, the mark-up attributable to toll milling and the cost of transportation amounted to an aggregate of approximately \$15 to \$20 per tonne, which will now no longer be applicable. As a result, Integra expects production operating costs could be substantially less than that currently estimated in the PEA, which averaged 490,000 tonnes per annum for the life of mine. Additional surface infrastructure acquired through this Transaction, such as the mechanical shop, offices, dry and water management system, could further impact the capital expenditure estimates presented in the PEA.
- **Tailings Infrastructure:** The tailings facility on the Property currently has a two to three year capacity with ample room for future expansion requiring limited capital expenditure and permitting.
- **Permits in Place:** The mill and tailings facility are permitted for future use which will shorten the development timeline of the Property.
- **Minimal Carrying Costs:** Direct care and maintenance cost of the mill, including increased staff at Integra and ongoing dewatering of the existing underground infrastructure, are anticipated to be between \$120,000 and \$140,000 per month.
- **Mineral Resource Complementary to Mill Acquisition:** The Property contains 586,000 oz of Measured and Indicated gold resources at an average grade of 4.96 g/t and 1,853,000 oz of Inferred gold resources at an average grade of 6.29 g/t.
- **Consolidates Land Position and Adds Exploration Targets:** The acquisition adds 1,472 hectares of mining concession and claims adjacent to Integra's existing 1,509 hectare land position at Lamaque South. The sale also includes the transfer to Integra, subject to conditions of the past producing Sigma II Mine, located 25 kilometers east of Val-d'Or, consisting of 410 hectares of mineral claims. Including this land, Integra's total consolidated land position in Val-d'Or will amount to 3,391 hectares.
- **Government Support:** Integra has consulted closely with the MERN as part of its due diligence investigations. The detailed environmental reclamation plan prepared for Integra has been presented to the MERN. The MERN has indicated its support of the Transaction and the proposed division of the waste rock claims, and will be working with Integra as a revised reclamation plan is presented and implemented, although acceptance of such a plan will not be given by the MERN until an updated mine plan has been submitted.

- **Positive Impact on Local Community:** Creates additional jobs for the residents of Val-d'Or through the waste rock production by the Waste Rock Company over an estimated 20 year period. In addition, ancillary benefits from processing the waste rock include revitalizing the surrounding environment to its natural form and overseeing the restoration of a long-standing unaddressed historic mining site.

Integra President and CEO, Stephen de Jong, commented, "For a myriad of reasons, this synergistic acquisition is exceptionally well tailored to our future needs and comes at an attractive price with minimal impact on our strong treasury. Our primary objective in the transaction was to secure a mill to process material from Lamaque South. In addition to securing a mill, we gain a strong partner in the Waste Rock Company to not only assist with the purchase price, but also substantially reduce the environmental reclamation and restoration obligation. The Property also comes with a sizeable gold resource, which may not fit our immediate development criteria as we focus on Lamaque South's high-grade resources, but will have a material impact on the Company's total mineral resource inventory. The mineral resource inventory on the Property could be developed in the future, dependent on gold prices and our experience with mining and milling operations at Lamaque South.

"Integra's executive team has worked with the Vendor, the Quebec Ministry of Energy and Natural Resources, and other interested parties to formulate a transaction that benefits all parties, including the City of Val-d'Or and its residents. This transaction represents a transformational step in the advancement of Integra's overall strategy as we have secured well-built processing and permitted tailings storage facilities at an exceptional price, minimized our exposure to historic reclamation obligations and are now positioned to create economic opportunities for the local community while respecting our commitment to that community."

Waste Rock Agreement Summary

Integra and the Waste Rock Company have entered into an agreement whereby the Waste Rock Company is granted exclusive rights to waste rock on a portion of the mining concessions at the Property. The Waste Rock Company will assume all applicable reclamation and other environmental obligations in respect of their portion of the Property. Integra has granted to the Waste Rock Company preferential rights to waste rock on the rest of the Property and to waste rock on the adjacent Lamaque South Project. The Waste Rock Company has agreed to pay Integra \$1,025,000 and has granted Integra preferential right to minerals contained on their portion of the Property.

Property Overview

The Property is comprised of the former Sigma (Placer Dome) and Lamaque (Teck Cominco) underground mines. Each of these two mines have, over 60 years of operating history, collectively produced over 9 million ounces of gold. The Sigma and Lamaque mines were consolidated under Placer Dome in 1993. Following Placer Dome's ownership there have been various owners with the most recent being Century since 2004. The Property has been on a care and maintenance program since 2012.

The Property is adjacent and directly north of Lamaque South. The mill has been well maintained and on an extensive care and maintenance program since its closing in May 2012. The mill has an operating capacity of 1,200 to 2,200 tpd with processing flowsheet using gravity concentration, cyanidation and carbon in pulp gold recovery, the process recognized as optimal for processing Lamaque South mineralization. Metallurgical gold recoveries from the mill have consistently been reported by prior operators in excess of 95% processing the same type of mineralization as that encountered at Lamaque South.

To view a map and recent photos of the mill and adjacent infrastructure please click the following links:

<http://integragold.com/i/pdf/IntegraConsolidated-Property-Poster-Map.pdf>

<http://integragold.com/s/sigma-lamaque-acquisition.asp>

The Property has many key permits in place. Integra commissioned Golder Associates Ltd. ("Golder") to provide a study on the current condition of the tailings facility as well as future expansion potential. The tailings pond currently has two to three years of capacity which can be increased to accommodate future

capacity requirements by raising existing dykes. This raise can be completed by utilizing tailings and waste material already on site. The tailings facility has been maintained and monitored by a full time environmental manager throughout the care and maintenance period and is considered to be in good standing with the MERN. The tailings are non-acid generating.

Future Plans for the Property

The Property will remain on care and maintenance until the Company has completed an optimization study evaluating the integration of the Property into the Company's current development plan. Direct care and maintenance costs of the mill, including increased staff at Integra, are anticipated to be between \$120,000 and \$140,000 per month. In addition to these direct costs Integra will be adding key staff to its operations team in Val d'Or to assist with care and maintenance and general operations at the Property.

Reclamation Obligations

As part of Integra's due diligence related to future environmental reclamation and restoration obligations associated with the Property, Integra retained an independent third party environmental and engineering firm to conduct a study focused on determining the total future environmental reclamation requirements. The evaluation concluded \$12.1 million will be required to complete full restoration work on the Property. The Waste Rock Company's participation in the Transaction is estimated to reduce Integra's environmental reclamation obligation to \$5.0 million. A bond is currently in place with the MERN for \$3.56 million that will be registered in Integra's name upon closing of the Transaction. Integra and the Waste Rock Company have agreed, subject to the MERN's approval, to split this bond with \$2.5 million going towards Integra's future environmental reclamation needs and the balance to the Waste Rock Company. Upon complete removal of the waste rock piles by the Waste Rock Company, final environmental reclamation costs attributed to the waste rock piles are anticipated to be limited.

Throughout the Company's extensive due diligence process, the MERN was consulted on an on-going basis and apprised of the Company's plans to acquire the Property and subsequently divide the mining leases and associated environmental reclamation obligations with the Waste Rock Company. Over the course of several meetings, MERN indicated the estimated environmental reclamation costs are close to their own expectations and internal evaluation. Formal acceptance of a revised environmental reclamation plan will not be given by the MERN until an updated mine plan has been submitted, which is expected to occur in 2015.

Property Mineral Resource Estimate

As disclosed in the technical report commissioned by Century entitled "Technical Review of the Mining Plan/Operations and Audit of the Resource and Reserve Estimates for the Lamaque Mine Project, City of Val-D'Or, Bourlamaque Township, Abitibi County, Québec, Canada NTS Map 32C/04" dated August 2, 2011 (the "Technical Report") completed by Micon International Ltd. ("Micon") and filed on the SEDAR profile of Century, mining concessions on the Property contain 586,000 oz of Measured and Indicated gold resources at 4.96 g/t and 1,853,000 oz of Inferred gold resources at 6.29 g/t.

Table 1. Mineral Resource Estimate for the Property as of June 20, 2011

Resource Classification	Tonnes	Gold Grade (g/t)	Gold Ounces (Au)
Measured	1,151,000	5.46	202,000
Indicated	2,523,000	4.73	384,000
M&I	3,674,000	4.96	586,000
Inferred	9,159,000	6.29	1,853,000

Notes: As disclosed in the Technical Report dated August 2, 2011; effective date June 20, 2011. The estimate of the mineral resources presented for the Property were audited by William J. Lewis, B.Sc., P.Geo. and Dibya Kanti Mukhopadhyay, MAusIMM (CP), of Micon, who are independent of Century. The cut-off grade is 1 g/t gold for substantially all of the reported resources. See the Technical Report for additional information with respect to the Property.

Integra has not independently verified this mineral resource estimate although, to the best of its knowledge, information and belief, there is no new material scientific and technical information that would make disclosure of the mineral resources inaccurate or misleading. Integra intends to commission Micon in 2014, the independent authors of the 2011 Technical Report for the Property, to update the report incorporating any mining completed since the last disclosure and changes in assumptions.

Implications for the Val-d'Or Community

Since September 2013, Integra has developed a proactive approach to information and consultation regarding the potential development of Lamaque South based on commitment, honesty, and transparency. Integra is committed to developing a mining operation that follows a sustainable development approach while establishing a high level of social acceptability.

The local project team, with the help of specialized consultants, identified more than 20 stakeholders, both individuals and large groups, which could be affected by the development of Lamaque South. Integra then completed two major phases of information/consultation meetings to discuss and gather the concerns of those stakeholders. During these two phases of information/consultation the Company has met with over 500 individuals. A formal consultation committee composed of 15 representatives from the various stakeholder groups was recently formed. The primary objective of this committee is to assess and address any potential impacts Lamaque South's development could have on the community.

The impact of the acquisition will be integrated into the Company's development and consultation processes. Integra, which considers itself a part of the Val-d'Or community, will be mindful of the track record of previous operators and the long history of the Property. Integra is committed to continuing its proactive approach in ensuring its development plan maximizes the benefits to the community it operates in.

Additional Details of the Transaction

Integra has been evaluating various mill acquisition opportunities in the Val-d'Or region. As part of the evaluation and thorough due diligence process, Integra engaged independent consultants, including WSP Global Inc. and Golder to complete infrastructure and environmental reviews of the mine and mill sites, provide an estimate of the capital and operating costs associated with restarting and operating the mill, and give an evaluation of the tailings facility. Upon satisfactory completion of their multi-aspect technical due diligence, Integra advanced a \$500,000 deposit to the Vendor. Integra will pay the residual cash consideration, of which Integra intends to use the Waste Rock Company's \$1,025,000 cash payment and contribute the balance of \$275,000 from its existing resources, on close of the Transaction. Of the cash portion of the purchase price, \$500,000 will be paid directly to a third party in consideration for the crusher and related assets located on the property, with the balance paid to the Vendor. The Share Consideration issuable at Closing will be the greater of 25 million common shares and that number of common shares having an aggregate value of \$5.75 million based on a price per share equal to the volume weighted average price of the Integra Shares on the TSXV for the five trading days preceding the closing of the Transaction, subject to a maximum issuance of 19.9% of issued share capital in all cases.

The Transaction was approved pursuant to a vesting order which was granted today by the Superior Court of Québec, Commercial Division, vesting all right, title and interest in and to the Property and other acquired assets in and with Integra free and clear of all encumbrances, and has received conditional approval of the TSX Venture Exchange. The Transaction is anticipated to close in October 2014 and, in any case, must be completed no later than October 31, 2014.

The Integra Shares issued pursuant to the Transaction will be subject to a lock-up agreement over an 18 month period to be released as to one-third of the Integra Shares every six months, subject to providing advance notice to Integra. For a disposition to be made between the date of the lock-up agreement to 18 months, Integra may, at any time within 10 days following receipt of a sale notice, locate a buyer at a price equal to no more than a 10% discount to the weighted average trading price for the Integra Shares for the five trading days preceding the date the sale notice was delivered. For a disposition made from and after 18 months, Integra may, at any time within 7 days following receipt of the sale notice, locate a buyer at a price equal to no more than a 5% discount to the weighted average trading price for the Integra Shares for the five trading days preceding the date the sale notice was delivered. As a result of the Transaction, upon closing the Vendor will have an approximate 12% interest in the Company subject to adjustment as noted above.

Cairn Merchant Partners LP acted as financial advisor to Integra on the Transaction and Deloitte Corporate Finance Inc., acted as financial advisor to the Vendor.

Conference Call and Webcast Details

Integra will hold a conference call and webcast on Thursday, September 4th at 7:00 am PST/10:00 am EST to discuss the proposed acquisition. A live audio webcast will be available at www.accuconference.com/join (Log-In: 1.800.868.1837; Conference Code: 346621). Participants may also join the conference by calling 1.800.868.1837 (Conference Code: 346621#) or 1.404.920.6440. To listen to a recorded playback of the call after the event, please call 1-800-920-7487 (Conference Code: *346621#] in North America.

Link to Presentation: <http://integragold.com/i/pdf/AnalystConferenceCall-August2014.pdf>

Qualified Person

Integra's Lamaque South project is under the direct supervision of Hervé Thiboutot, Eng. and Senior Vice-President of the company, and Francois Chabot, Eng., Operations and Engineering Manager of the Company, both Qualified Person ("QP") as defined by National Instrument 43-101. The Company's QPs have approved the scientific and technical content of this release, and have reviewed the Technical Report.

About Integra

Integra's Lamaque South project is located in the heart of the Val-d'Or gold camp in the Province of Québec, Canada, approximately 550 km northwest of Montréal. Québec is rated one of the best mining jurisdictions in the world. Infrastructure, human resources and mining expertise are readily available.

The Company's primary objective is to continue to prove up additional resources while advancing the existing resource towards production. The project is divided into three main clusters of mineralization, the North, South and West Cluster. The North Cluster consists of the Parallel, Fortune, No. 5 Plug, and No. 3 Mine Zones and is located approximately 1 km northwest from the South Cluster, which includes the No. 4 Plug, Triangle and Triangle South Zones. The Sixteen Zone and No. 6 Vein form the West Cluster.

About the Waste Rock Company

The Waste Rock Company is an established supplier and producer of construction materials specializing in surface and mining material operations.

ON BEHALF OF THE BOARD OF DIRECTORS

Stephen de Jong
CEO & President

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Cautionary Note Regarding Forward Looking Statements: *Certain disclosure in this release, including the closing of the Transaction and the agreement with the Waste Rock Company, the approval of MERN of a revised reclamation plan and the cost of the associated reclamation obligation, the potential synergies and integration of the mill and processing facilities with Lamaque South, the ability to access Lamaque South mineralization through existing underground portals, the operational capacity of the mill, the completion of an integrated development plan, the estimates of the mineral resource inventory on the Sigma property and the acquisition of the Sigma II claims constitute forward-looking statements. In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company, including that the Company is able to obtain any government or other regulatory approvals, the Company is able to procure sufficient financial resources, that the Company is able to procure required personnel, equipment and supplies in sufficient quantities and on a timely basis and that relevant third party studies and reports prepared for the Company are consistent with management's expectations. Although the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, those matters identified in its most recently filed MD&A and other continuous disclosure filings. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.*

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