

Dynasty Announces Updated Zaruma Gold Project Resource Estimate and Preliminary Economic Assessment

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sep 18, 2014) - Dynasty Metals & Mining Inc. ("Dynasty" or the "Company") (TSX:DMM)(OTCQX:DMMIF) is pleased to announce that it has filed a technical report entitled "Independent Preliminary Assessment - Zaruma Gold Project" (the "Technical Report") dated September 17, 2014, which contains a Preliminary Economic Assessment ("PEA") based upon an updated mineral resource Estimate on its Zaruma Gold Project (the "Zaruma Project") in El Oro Province, Ecuador.

The Technical Report was prepared by Consulting Mining Engineer Mr RL Procter BSc (Eng), MBA, MIMMM, CEng, and Consulting Geologists Mr AJ Maynard, BAppSc (Geol) MAIG, MAusIMM and Mr PA Jones, BAppSc (Geol), MAIG, all of whom are independent "qualified persons" as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The Technical Report has been prepared in accordance with NI 43-101 and is available on the Company's website (www.dynastymining.com) and on SEDAR (www.sedar.com).

The selected information presented herein is qualified in its entirety by, and should be read in conjunction with, the Technical Report. All dollar amounts in United States dollars unless otherwise stated.

Zaruma Project

The Zaruma Project is situated in El Oro Province of southern Ecuador, about 175 kilometres south and 60 kilometres southeast of the major port cities of Guayaquil and Machala respectively.

The Zaruma Project comprises 41 concessions covering a total area of 10,121.47 hectares in a readily accessible region of southern Ecuador. The gold mineralization found on the concessions is associated with extensive high grade gold and silver epithermal vein systems.

Updated Resource Estimate

The Company's updated mineral resource estimate was calculated using data related to concessions that cover a relatively small section of the total concession area that makes up the Zaruma Project. Such additional area is considered by the authors of the Technical Report to be highly prospective for additional mineralized veins, which may become the focus of future exploration work.

Estimated mineral resources at the Zaruma Project as contained in the Technical Report are as follows:

Location	Measured			Indicated		
	Tonnes (million)	Grade Au (g/t)	Contained Au (Ozs)	Tonnes (million)	Grade Au (g/t)	Contained Au (Ozs)
Cabo de Hornos	1.30	13.99	585,000	0.86	12.46	343,000
Barbasco	0.19	11.05	66,000	0.09	10.81	33,000
Ayapamba	0.07	12.64	30,000	0.06	11.63	23,000
Vizcaya	0.03	8.40	8,000	0.02	8.40	6,000
Total	1.59	13.48	689,000	1.03	12.18	405,000

Notes:

- Mineral Resources that are not Mineral Reserves have not demonstrated economic viability.

- A cut-off grade of 2.06 was used to derive the Mineral Resource estimate.

Updated Preliminary Economic Analysis

An updated PEA has been prepared based upon the updated mineral resource estimate. Highlights of the PEA as set out in the Technical Report are as follows:

	Unit	Value
Gold Price Used	\$/oz Au	1,300
Gold Recovered ⁽¹⁾	Au (oz)	1,081,108
Total Mined Resources (undiluted) ⁽¹⁾		
- Measured + Indicated	tonnes	2,590,000
- Inferred	tonnes	935,000
Operating Revenue	\$M	1,459.5
Operating Cash Flow (EBITDA)	\$M	682.5
Net Cash Flow (untaxed)	\$M	653.4
Net Cash Flow (taxed)	\$M	440.9
NPV ⁽²⁾ (untaxed)	\$M	321.6
NPV ⁽²⁾ (taxed)	\$M	218.2
Unit Operating Cost (untaxed)	\$/oz Au	658
Unit Operating Cost (taxed)	\$/oz Au	855

1. It is assumed that 100% of the measured and indicated resource and 25% of the inferred resource is mined.
2. At 10% base case discount rate

As required by NI 43-101, it should be noted that these evaluations are preliminary in nature and that the Inferred Mineral Resources in particular are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. As such there is no certainty that the PEA will be realised.

The Zaruma Project has sufficient Measured and Indicated Mineral Resources for a mine life of about 10.5 years. The Project also has available to it a significant inventory of Inferred Mineral Resource (59% of all tonnes and 57% in gold content). Adding only 27% of the Inferred Mineral Resource (equating to 25% of gold output) to the Zaruma Project's production schedule increases mine life to 15 years, which is considered to be a reasonable mine life period to assess the Project on a discounted cash flow basis. This is the base case evaluated for the PEA.

The Inferred Mineral Resource is also assumed to be processed at the end of the mine's life (i.e. after all Measured and Indicated material has been treated), so it suffers the greatest discounted cash flow effect in the analysis.

The salient information for the Zaruma Project from the PEA contained in the Technical Report is the following:

- it produces an earnings before interest, tax, depreciation and amortisation of \$683 million;
- at a 10% discount rate, it produces a taxed net present value (NPV) of \$218 million and untaxed NPV of \$322 million;
- it produces a taxed net cash flow of \$441 million and an untaxed net cash flow of \$653 million;
- it has a total unit cash operating cost of \$855/oz (taxed) and \$658/oz (untaxed);
- the overall operating costs equate to 51% of total revenue;
- total capital expenditure is estimated at \$29 million; and
- it pays \$66 million in royalties and \$213 million in taxes, over its estimated 15 year mine life.

Company Comment

Company President and Chief Executive Officer, Robert Washer, commented: "The updated PEA provides an encouraging financial model that supports management's belief that Zaruma is a world class asset. We have worked extremely hard to develop Zaruma under very difficult operating circumstances primarily with proceeds from the pre-commercial processing and sale of gold. We look forward to increasing mine production over time to meet plant capacity in order to enhance shareholder value."

About Dynasty Metals & Mining

Dynasty is a Canadian based mining company involved in the exploration and development of mineral properties in Ecuador.

The Company is currently focused on developing its Zaruma Gold Project, at which the Company is in production. The Company also has the following non-producing assets: the Jerusalem Project and Dynasty Goldfield Project.

The technical information of this news release has been reviewed and approved by Brian Speechly, a Fellow of AUSIMM (Australian Institute of Mining and Metallurgy), a director of the Company and a "qualified person" within the definition of that term in the NI 43-101.

For further information please visit the Company's website at www.dynastymining.com

Forward-Looking Information

This news release contains statements which are, or may be deemed to be, "forward-looking information" which are prospective in nature. Often, but not always, forward-looking information can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such information in this news release includes, without limitation, statements regarding Dynasty's future plans and expectations relating to the future exploration work at the Zaruma Project; Zaruma mine development and mineral extraction; and analyses and other information that are based on expectations of future performance as outlined in the updated mineral resource estimate and PEA. Statements concerning mineral resource estimates may also constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the Zaruma Project is developed. Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including assumptions relating to the Company's ability to continue progress through its declines with minimal or no interruption; that the Company will be able to continue its progress in respect of its mines as planned; that the Company will continue to sell processed gold and silver at levels that allow it to fund the continued development of its mining projects and sustain its operations; that the Company will have access to capital if required; that all necessary approvals and arrangements will be obtained, renewed and/or finalized in a satisfactory manner in order to continue developing the Company's projects; and that the Company's equipment will operate at expected levels. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Dynasty's actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Important risks that could cause Dynasty's actual results, revenues, performance or achievements to differ materially from Dynasty's expectations include, among other things: risks related to fluctuations in the price of gold; risks related to fluctuations in currency markets; risks related to the inherently dangerous activity of mining; uncertainty in the Company's ability to fund the development of the Zaruma Project pursuant to the PEA, including the availability of capital on satisfactory terms; uncertainty as to actual capital costs, operating costs, production and economic returns, and uncertainty that development activities will result in a profitable mining operation at the Zaruma Project; risks related to mineral resource figures being estimates based on interpretations and assumptions which may result in less mineral production under actual conditions than is currently estimated and to diminishing quantities or grades of mineral resources as properties are mined; risks related to governmental regulations and obtaining necessary licenses and permits; risks related to the business being subject to environmental laws and regulations which may increase costs of doing business and restrict our operations; risks related to the Zaruma Project being located in Ecuador, including political, economic, social and regulatory instability; and other risks found in Dynasty's Annual Information Form for the year ended December 31, 2013 and other public filings which are available on SEDAR at www.sedar.com. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward looking information, except in accordance with applicable securities laws.

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