

# Cerrado Gold Provides Update on Recent Operating Results and Further Details on the Proposed Heap Leach Project at Minera Don Nicolas, Argentina

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- Record production of 4,500 gold equivalent ounces in August
- Gold production between 4,000-4,500 GEO ozs per month expected for the remainder of the 2021
- Heap Leach program proposed to establish low and high grade processing streams for long term exploitation of all resources at Minera Don Nicolás
- Heap Leach Project designed to add approximately 20,000 ozs of gold annually from low grade resource
- Metallurgical tests completed at University of San Juan, Argentina suggest recoveries above 70% for oxide zones and higher than 50% for the mixed zones
- Internal Preliminary Economic Assessment and full heap leach development plan expected by end of October, production targeted by end of Q2 2022
- Conference Call September 1, 2021: 11:00 AM Eastern Time (Details below) to Review Q2 results and ongoing development plans in Argentina and Brazil

Toronto, September 1, 2021 - CERRADO GOLD (TSXV: CERT) (OTCQX: CRDOF) ("Cerrado" or the "Company") is pleased to announce its recent strong operating results at Minera Don Nicolás ("MDN") highlighting the robust turnaround and outlook looking forward. Gold equivalent (GEO) production in August was approximately 4,500 ozs or an annual run rate of 54,000 ozs p.a. For the remainder of 2021 Cerrado anticipates monthly gold production to average between 4,000 to 4,500 GEO ozs. The strong performance is a result of significant ongoing enhancements to overall operations in terms of sustained milling rates of over 1,100 tpd and a steady improvement in ore grade feed due to improved grade control procedures.

Cerrado continues to progress its ongoing Internal Preliminary Economic Assessment to develop a gold heap leach operation at its Minera Don Nicolás operation in Santa Cruz, Argentina. Over the longer term this will allow MDN to focus on processing higher grade material through the milling and CIL plant, while lower grade ores will be processed via heap leaching when suitable. The final study and development decision are expected by the end of October 2021 and initial production would be expected by the end of Q2 2022.

Various development scenarios for the project are currently being evaluated in terms of scale and production rates. The overall project considers the mining of various ore deposits and could support an increase in gold production of approximately 20,000 ounces of annual gold production at the Minera Don Nicolás operations with production depending on the development plan selected. The initial project would target the exploitation of the Las Calandrias and Escondido deposits as well as low grade ore and stockpiles from the Martinetas deposit. Based on the contained ounces within the current known resources and stockpile, Cerrado estimates this could sustain operations for approximately 4 years at an average of 20,000 ounces per annum. Future exploration and ongoing mining is expected to define additional resources to sustain the operation thereafter, providing for potential heap leach life extension. Capital costs are currently estimated at between \$15-\$20MM and AISC are targeted at approximately \$1,100/oz depending on the scale of the initial plant.

Metallurgical representative samples from the Las Calandrias and Escondido deposits were submitted for metallurgical test work to confirm viability for a heap leach operation. Bottle roll and column leach tests were completed by the University of San Juan in Argentina and are shown in Figure 1 below. These results are being used in the ongoing Internal Preliminary Economic Assessment being undertaken currently.

Figure 1. Recovery curve, summarizing gold recoveries achieved from coarse-crushed bottle roll leach tests

for the oxide and mixed zone samples.

To view an enhanced version of Figure 1, please visit:

[https://orders.newsfilecorp.com/files/7487/95123\\_52488319443fa874\\_002full.jpg](https://orders.newsfilecorp.com/files/7487/95123_52488319443fa874_002full.jpg)

Based on coarse-crushed, bottle roll leach test results %Au extraction curves were completed for the two zones by plotting against the Au/S ratio (proxy for the degree of oxidation). Au recoveries in the Mixed zone were higher than 50%, and for the Oxide zones as high as 77%.

Based on the test work and the availability of a low-grade stockpile at Martinetas, Cerrado is now also targeting to include the low-grade stockpiles and low-grade resources in Martinetas as part of future feed material for the heap leach program. Earlier test work completed by Cerrado for the oxide material at the Martinetas resource achieved similar results. Additional bottle roll leach tests are planned for Escondido samples.

The resources targeted to be included in the Internal PEA will be based on the current combined oxide and transition ore resources of Las Calandrias, Escondido (also known as "Breccia Trend" in prior 43-101 Technical Reports), Zorro, Cerro Oro and Martinetas low-grade stockpiles. Table 1 shows the existing Mineral Resource statements (of near surface material) for those deposits that have not undergone any mining activities since the effective date of the NI 43-101 reports (August 2020 for SRK, and February 2021 for AGP, both reports available on Cerrado's website [www.cerradogold.com](http://www.cerradogold.com) and on SEDAR). This table is referential and only intends to show the current level of knowledge of the deposits that are targeted for initial inclusion in the study. Material in the current Cerro Oro pit and low-grade stockpiles in Martinetas is excluded from this table. However, Cerrado estimates this material to currently contain at least 11,000 recoverable ounces. It is expected that this amount will increase to some 20,000 recoverable ounces of stockpiled low-grade material from routine mine production, by the time the leaching circuit is expected to be commissioned at this area. Additional upside may be possible from ongoing exploration efforts to outline additional regions of suitable ores and by leaching the primary ore at Las Calandrias as transportation costs would likely preclude this material from being shipped to the mill. Further testwork is planned to confirm the recovery potential.

Cerrado is now undertaking a modest RC drill program in the Calandria/Escondido deposits to upgrade the resource to support the project development decision and some potential to quickly grow available resources in the region.

Table 1. Near Surface Low Grade Cut-Off Historic Mineral Resource Inventory\*

Deposit	Class	Cut-Off Grade gpt	Tonnes	Au (g/t)	Ag (g/t)	Au Oz	Ag Oz	Technical Report
Calandrias Sur <sup>1</sup>	Indicated (Oxide)	AuEQ: 0.3	2,267,000	0.77	9.56	56,000	696,000	AGP 2021
	Indicated (Transition)	AuEQ: 0.4	996,000	0.94	17.32	30,000	555,000	AGP 2021
	Indicated (Primary)	AuEQ: 0.8	4,162,000	1.73	34.62	232,000	4,633,000	AGP 2021
	Inferred (Oxide)	AuEQ: 0.3	1,275,000	0.68	7.69	28,000	315,000	AGP 2021
	Inferred (Transition)	AuEQ: 0.4	262,000	0.6	5.46	5,000	46,000	AGP 2021
	Inferred (Primary)	AuEQ: 0.8	202,000	1.21	6.08	8,000	40,000	AGP 2021
Breccia Trend AKA Escondido <sup>2</sup>	Inferred	Au: 0.3	1,698,300	1.17		63,885	NE <sup>3</sup>	SRK 2020
Zorro <sup>2</sup>	Indicated	Au: 0.3	20,600	2.36		1,563	NE <sup>3</sup>	SRK 2020
	Inferred	Au: 0.3	156,000	1.48		7,423	NE <sup>3</sup>	SRK 2020
	Indicated		7,445,600	1.33	-	319,563	-	
	Measured +Indicated		7,445,600	1.33	-	319,563	-	
	Inferred		3,593,300	0.97	3.47	112,308	401,000	

1. AGP Mineral Resource Footnotes:  
Summation errors may occur due to rounding.  
Mineral Resources not reported within a constraining shell.  
Block matrix is 6m x 6m x 6m (length x width x height).  
Grades are estimated by ID3 interpolation.  
Density was assigned by oxide zone: 2.20 oxide, 2.22 transition and 2.25 primary.  
Cut-off grades of used for reporting Mineral Resources varies by oxide zone: 0.3 gpt AuEQ for oxide, 0.3 gpt AuEQ for transition; and 0.7 gpt AuEQ for primary.  
$$\text{AuEQ} = \text{Au grade} + (\text{Ag grade}/60)$$
2. SRK Mineral Resource Footnotes  
Mineral resources are reported in relation to a conceptual pit shell. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.  
Total resource does not include oxide/transition/primary domaining.
3. NE = not estimated, silver grades were only estimated for Cerro Oro and Sulfuro

As stated above, Cerrado believes that the combined resources could support a conceptual production rate from a heap leach operation of approximately 20,000 ounces per year, in addition to the current production at MDN, for an initial mine life of four years. However, as exploration continues, the company believes additional targets could be evaluated as amenable for heap leaching mineralization. As such, the crushing circuit and elution circuits have been designed to be mobile in order to accommodate future discoveries. Design work of the crushing and gold elution circuits has been completed and an Environmental Impact Assessment is in progress. The mine(s) are targeted to produce around 1,500,000 tons of ore per year, and the feed rate to the crushing plant would be approximately 200tph. Mining operations are expected to be conducted using used or rental equipment to minimize costs.

Mark Brennan, CEO & Co-Chairman commented, "We are extremely pleased with the operational performance at Minera Don Nicolás, which is a strong testament to the improvement of the operations by the team at site. We are also excited that the work to date continues to support the development of a heap leach operation at Minera Don Nicolás to increase overall production rates. Adding a heap leach facility not only adds near term growth with low-cost gold production but also adds more opportunities to fully utilize the lower grade resources on the property, while concentrating higher grade feed to our CIL plant. We expect to add significant amounts of low grade leach feed and high grade mill feed resources from our vast land package at Minera Don Nicolás over the longer term to support a long lived production scenario."

#### Review of Technical Information

The scientific and technical information in this press release has been reviewed and approved by Sergio Gelcich, P.Geol., Vice President, Exploration for [Cerrado Gold Inc.](#), who is a Qualified Person as defined in NI 43-101.

#### Cerrado Gold Conference Call

Time: Sep 1, 2021 11:00 AM Eastern Time (US and Canada)

#### Join Zoom Meeting

<https://us06web.zoom.us/j/89298038195?pwd=VG1EMTByanRZdGxNV1BhbDEvOUhPd09>

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## Minera Don Nicolás Overview

Minera Don Nicolás is located 1,625km southwest of Buenos Aires, Argentina in the Deseado Massif region in the mining-friendly province of Santa Cruz. The project is comprised of several exploration concessions totaling 333,400 ha. The largest regional centre is Comodoro Rivadavia, which provides logistical and other support for the operations.

MDN Project is situated within the world renowned Deseado Massif where the underlying geology of the region is dominated by rhyolitic and andesitic volcanic and tuffaceous volcanoclastic lithologies of Middle to Upper Jurassic age (130 to 170 ma). It is criss-crossed by numerous extensive fault and fracture zones, which served as conduits for hydrothermal activity during periods of Jurassic volcanism. The result of this activity is a widespread network of shallow level mineralized "epithermal" fissure veins, breccias, and stock-work systems, many of which carry potentially economic Au and Ag mineralization. The Deseado Massif region is host to several epithermal gold-silver deposits and several multi-million-ounce gold deposits, including Cerro Vanguardia (Anglo Gold), Cerro Negro (Newmont GoldCorp), Cerro Morro (Yamana).

In February 2012, Minera IRL published a Full Feasibility Technical Report in accordance with NI 43-101 (Filed on SEDAR, [Minera IRL Ltd.](#), Feb 16, 2012). Construction of the facilities was completed in 2017 and initial production began December 2017.

Current mining operations are conducted in two areas, the high grade La Paloma deposit and the Martinetas deposits, approximately 30km apart. Ore is processed through a 1,000 tpd CIL plant located near the Martinetas pit. The project currently supports 325 employees and contractors on a fly-in fly-out basis. Mineral Don Nicolás has strong regional and local community backing having signed agreements with the two neighboring communities.

Cerrado acquired the MDN Project property in March 2020 and undertook a fundamental review of the resource database and based upon a significant geological re-interpretation, engaged SRK to conduct an independent NI 43-101 updated resource technical report (August 2020) which is available on the Cerrado Gold website and SEDAR.

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## About Cerrado Gold

Cerrado Gold is a public gold producer and exploration company with gold production derived from its 100% owned Minera Don Nicolás mine in Santa Cruz province, Argentina. It also owns 100% of the assets of Minera Mariana in Santa Cruz province, Argentina. The company is also undertaking exploration at its 100% owned Monte Do Carmo project located in Tocantins, Brazil. For more information about Cerrado Gold please visit our website at: [www.cerradogold.com](http://www.cerradogold.com).

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Forward-looking statements contained in this press release include, without limitation, statements regarding the business and operations of Cerrado Gold. In making the forward-looking statements contained in this press release, Cerrado Gold has made certain assumptions, including, but not limited to ability of Cerrado to expand its drilling program at its Minera Don Nicolas Project and increase its resources. Although Cerrado Gold believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurance that the expectations of any forward-looking statements will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political, and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, Cerrado Gold disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

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