

Lake Victoria Gold Mobilizes Rigs for Sterilization Drilling at Imwelo as Project Advances Toward Production

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Companies mentioned: Lake Victoria Gold Ltd. (TSXV: LVG) (OTCQB: LVGLF) (FSE: E1K), [Agnico Eagle Mines Ltd.](#) (NYSE: AEM) (TSX: AEM), Integra Resources Corp. (NYSE-A: ITRG) (TSXV: ITR), [Northern Dynasty Minerals Ltd.](#) (NYSE-A: NAK) (TSX: NDM), [Contango Silver & Gold Inc.](#) (NYSE-A: CTGO) (TSX: CTGO).

Key Takeaways:

- Reverse circulation drill rigs are mobilizing to site at Lake Victoria Gold's Imwelo Project this week, with a ~21-day, ~1,050-metre sterilization program scheduled to begin mid-May ahead of construction.
- The financing stack is structured and advancing toward close: a US\$25 million gold loan facility from Monetary Metals (non-dilutive, repayable in gold) plus a fully committed C\$3.8 million convertible debenture financing.
- Imwelo is fully permitted for mine construction and production, with metallurgical testing confirmed gold recovery rates of up to ~97% in metallurgical testwork using conventional methods.
- Tanzania has formally begun incorporating its 16% statutory free-carried interest in the Tembo mining licences, signalling regulatory progress on Lake Victoria Gold's second 100% owned project.
- Macro setup: J.P. Morgan projects gold pushing toward \$5,000 per ounce by Q4 2026; State Street's April 2026 Gold Monitor reports sovereign gold reserves at an all-time high of 2,309 tonnes; the World Gold Council expects another ~850 tonnes of central bank gold purchases through 2026.

When global mine output is hitting a wall and central banks are buying every available ounce, the developers that already have a permit, advancing funding, and crews on site stop looking like junior miners and start to attract increased market attention as potential contributors to future supply. That is the lane Lake Victoria Gold Ltd. (TSXV: LVG) (OTCQB: LVGLF) (FSE: E1K) is now operating in.

This week, the Company announced that reverse circulation ("RC") drill rigs are mobilizing to the fully permitted Imwelo Gold Project in Tanzania, with a ~21-day, ~1,050-metre sterilization drilling program scheduled to commence mid-May. The work is a defined pre-construction workstream - designed to confirm that planned plant, accommodation, and support facilities are not sitting on potentially mineralized ground that would later create a sterilization headache. Results will inform final site layout, engineering design, and the development sequencing that bridges the project from permitting to construction.

Planned drilling includes ~500 metres at the proposed plant area (10 holes to ~50m depth), ~550 metres at the accommodation and stores area (11 holes to ~50m depth), and additional testing of NW and EW trending magnetic anomalies. The program is expected to be completed within approximately three weeks.

Marc Cernovitch, President & CEO of Lake Victoria Gold, on the program:

"Mobilizing drill rigs to site marks another important step as we advance Imwelo toward development and construction. This program is focused on de-risking the project at the infrastructure level, ensuring that key facilities are optimally located ahead of construction. With engineering work progressing in parallel, we continue to move Imwelo forward in a disciplined manner toward near-term production."

Financing Strategy Supporting Near-Term Construction

Earlier this year, Lake Victoria Gold closed a binding term sheet for a gold loan facility worth up to US\$25 million from Monetary Metals, backed by up to 6,000 ounces of gold. The Company also locked in a fully committed C\$3.8 million convertible debenture financing led by a long-term significant shareholder. Together, the deals provide a clear pathway to fund near-term development activities and advance the project toward construction.

The Monetary Metals gold loan is non-dilutive and production-linked. Repayment comes in gold ounces, not cash, so the facility scales naturally with output. The convertible debenture carries a 5.0% annual interest rate, converts at \$0.31 per share, and includes half-warrants exercisable at \$0.40. For a developer at this stage, the structure is purpose-built to advance the project without flooding the market with new shares.

Imwelo's Technical Foundation Is Already In Place

Imwelo has confirmed gold recovery rates of up to approximately 97% in metallurgical testwork using conventional methods. A completed drill program at Area C returned grades including 11.88 g/t gold over 1.33 metres from 169.75m and confirmed mineralization extending well beyond the current pit design at depth and laterally. Geotechnical and specific-gravity studies have supported potential consolidation of Area C into a single open-pit design - a structural simplification that could improve the project's economics and reduce execution complexity.

Tembo: The Optionality Layer

Lake Victoria Gold's 100% owned Tembo Project sits adjacent to Barrick's Bulyanhulu Mine and has more than 50,000 metres of historical drilling on it. Recent surface artisanal sampling returned grades up to 35.45 g/t gold. Tanzania's government has formally begun incorporating its statutory 16% free-carried interest in the Tembo mining licences - a required regulatory step that signals the project is advancing through the country's established framework.

The Company advancing toward a binding toll-milling agreement with Nyati Resources, a well-established Tanzanian operator, to begin toll milling at Tembo. That deal would allow Lake Victoria Gold to process material through an existing facility, potentially opening a pathway to early cash flow without heavy upfront capital spending.

Strategic Backing and Insider Alignment

Lake Victoria Gold counts Barrick Gold among its strategic equity investors and the Taifa Group - Tanzania's largest mining contractor, with over 30 years of in-country experience and longstanding work for Petra, De Beers, Barrick, and AngloGold Ashanti - as a strategic partner. Through its wholly Tanzanian-owned subsidiary Taifa Mining, the Group has agreed to take an equity stake in the Company and will conduct contract mining and civil works for the Imwelo Project. Taifa owns the largest fleet of mining equipment in Tanzania.

Management, directors, and strategic partners collectively own more than 60% of outstanding shares - an unusually high alignment ratio for a name at this development stage.

NOTE: For a Cautionary Note on Production Decision, please see the Disclaimer below.

In other industry developments and happenings in the market include:

Agnico Eagle Mines Limited (NYSE: AEM) (TSX: AEM) reported first quarter 2026 results, including record quarterly operating margins and adjusted net income.

Payable gold production in Q1 was 825,109 ounces - approximately 24% of the mid-point of full-year guidance - at production costs per ounce of \$1,158, total cash costs of \$1,093 per ounce, and all-in sustaining costs of \$1,483 per ounce. Solid production combined with realized gold prices of \$4,861 per ounce delivered net income of \$1,695 million (\$3.39 per share) and record adjusted net income of \$1,706 million (\$3.41 per share). Free cash flow was \$732 million in the quarter. Fitch Ratings upgraded Agnico Eagle's long-term issuer default rating from BBB+ to A in April 2026.

"We delivered a solid start to 2026, achieving record operating margins while production and costs tracked well to plan," said Ammar Al-Joundi, Agnico Eagle's President and Chief Executive Officer. "We are excited by the strong progress across our industry leading growth pipeline and are beginning to look beyond the 20-30% production growth already expected over the next decade, with our recently announced proposed acquisitions in Finland marking a milestone in our next phase of long-term growth."

Integra Resources Corp. (NYSE-A: ITRG) (TSXV: ITR) on April 23, 2026 reported first quarter 2026 production results from its Florida Canyon Mine in Nevada, including gold production of 12,635 ounces and a record mining rate of 76,800 total tonnes per day, while strengthening its balance sheet with \$105.6 million in cash following a \$61 million bought deal financing.

The company has allocated \$62-\$68 million in sustaining capital for 2026, focused on capitalized waste stripping, mobile fleet upgrades, and infill drilling to position the mine for improved cost performance in subsequent years.

"The first quarter of 2026 marked a period of strong operational progress at Florida Canyon, with record mining rates and the successful ramp-up of our Phase IIIB leach pad. While gold production in the quarter reflects temporary constraints, the deferred ounces are expected to be recovered over the balance of the year. Importantly, we maintained our full-year production guidance, underscoring our confidence in the operation," said CEO George Salamis of Integra Resources.

Northern Dynasty Minerals Ltd. (NYSE-A: NAK) (TSX: NDM) is actively contesting the EPA's Clean Water Act veto of its Pebble Project in Southwest Alaska. On April 14, 2026, plaintiffs filed response briefs in Alaska Federal Court challenging a Department of Justice brief filed February 17, 2026, and on April 23, 2026, the Federal District Court scheduled oral argument for June 25, 2026.

The Pebble Project, located 200 miles from Anchorage, represents one of the largest undeveloped gold-copper-molybdenum deposits in the world, with the company maintaining it could generate significant revenue for Alaska and the broader U.S. economy.

"Our strategy has always been grounded in a solid legal case that this veto was illegal, and a high level of confidence that the court will agree with us," said Ron Thiessen, President and CEO of Northern Dynasty Minerals. "The flaws in this brief only increase that confidence."

Contango Silver & Gold Inc. (NYSE-A: CTGO) (TSX: CTGO) announced a \$9.0 million cash distribution from the Peak Gold JV and outlined a fully funded 2026 exploration program.

The 2026 program includes a sustained underground drill program at Lucky Shot in Alaska to support a Feasibility Study due H1 2027, pivotal infrastructure construction and permitting at the Johnson Tract Critical Metals project, and an updated Mineral Resource Estimate at the Kitsault Valley project followed by a comprehensive drilling program supporting a preliminary development plan due H1 2027. Total planned 2026 drilling is approximately 60,000 metres across the portfolio. The company began trading on the Toronto Stock Exchange on April 13, 2026 under symbol CTGO, while continuing to trade on NYSE American.

"The \$9 million cash distribution from the Peak Gold JV underscores the unique strength of our business model - using cash flow from our producing mine operations to fund the aggressive advancement of our 100%-owned assets," said Rick Van Nieuwenhuysse, the Company's Chief Executive Officer. "We are hitting the ground running in 2026 with the strongest balance sheet and the most aggressive operational schedule in our Company's history."

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Cautionary Note on Production Decision:

Although Imwelo has been the subject of JORC-compliant PEA, PFS and updated PFS work, these foreign-code studies are not current under NI 43-101. The Company has not completed a feasibility study on Imwelo that establishes mineral reserves demonstrating economic and technical viability and is not treating the JORC-based estimates or analyses as current under CIM Definition Standards. Any decision to commence production is not based on a feasibility study of mineral reserves and therefore involves increased uncertainty and a higher risk of economic and technical failure. There is no certainty that the planned low-capex open-pit operation will be economically viable or that production will occur as anticipated. Risks include, without limitation, variations in grade and recovery, unexpected geotechnical or metallurgical challenges, cost overruns, funding availability, and operational, regulatory, or permitting risks. This is a paid advertisement. We currently own shares of Lake Victoria Gold Ltd. and will buy and sell shares of the company in the open market, or through private placements, and/or other investment vehicles. While all information is believed to be reliable, it is not guaranteed by us to be accurate. Individuals should assume that all information contained in our newsletter is not trustworthy unless verified by their own independent research. Also, because events and circumstances frequently do not occur as expected, there will likely be differences between any predictions and actual results. Always consult a licensed investment professional before making any investment decision. Be extremely careful investing in securities carries a high degree of risk. You may likely lose some or all of the investment.

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