

# Northgate Minerals Reports 2010 Gold Production of 272,712 Ounces

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## Gold Sales of 70,145 Ounces in Q4

VANCOUVER, Jan. 13 (CNW) - (All figures in US dollars except where noted) - [Northgate Minerals Corporation](#) (TSX: NGX, NYSE Amex: NXG) is pleased to report gold production of 66,077 ounces in the fourth quarter of 2010, bringing full year production to 272,712 ounces of gold.

## Production Highlights

- Fourth quarter gold production of 66,077 ounces at Northgate's three operating mines:
- Fosterville finished out the year with quarterly gold production of 23,108 ounces of gold, which exceeded forecast by 10%. Full year production at Fosterville was 100,441 ounces of gold.
- Stawell produced 17,882 ounces of gold during the fourth quarter, bringing full year production to 71,482 ounces of gold.
- Kemess reached its quarterly and annual forecast, producing 25,087 ounces of gold in the fourth quarter, bringing annual production to a total of 100,789 ounces of gold.
- The estimated average net cash cost\* of production for the fourth quarter was \$655 per ounce, bringing the full year cash cost to \$662 per ounce.
- Metal sales for the fourth quarter totalled 70,145 ounces of gold and 12.4 million pounds of copper.

The following table provides a summary of production at Northgate's operations in 2010.

|                                      | Q1 2010 | Q2 2010 | Q3 2010 | Q4 2010 | 2010 Total |
|--------------------------------------|---------|---------|---------|---------|------------|
| -----                                |         |         |         |         |            |
| Gold Production (ounces)             |         |         |         |         |            |
| Fosterville                          | 26,421  | 28,476  | 22,436  | 23,108  | 100,441    |
| Stawell                              | 22,238  | 14,832  | 16,530  | 17,882  | 71,482     |
| Kemess                               | 24,703  | 24,967  | 26,033  | 25,087  | 100,789    |
| -----                                |         |         |         |         |            |
| Total Gold Production (ounces)       | 73,362  | 68,275  | 64,999  | 66,077  | 272,712    |
| -----                                |         |         |         |         |            |
| Copper Production (thousands pounds) | 9,529   | 9,643   | 10,869  | 10,625  | 40,666     |
| Net cash cost (\$/ounce) (1)         | 654     | 693     | 645     | 655     | 662        |
| -----                                |         |         |         |         |            |
| Gold Sales (ounces)                  | 75,128  | 65,943  | 58,083  | 70,145  | 269,299    |
| Copper Sales (thousands pounds)      | 11,145  | 7,997   | 7,434   | 12,363  | 38,939     |
| -----                                |         |         |         |         |            |

(1) Q4 and full year 2010 cash cost figures are unaudited estimates and are subject to revision.

"We capped off 2010 by delivering fourth quarter gold production, which was consistent with guidance and our gold sales totalled 70,145 ounces," commented Ken Stowe, Northgate's President and CEO. "In Australia, our Fosterville mine had an extremely strong quarter with production significantly higher than forecast and, while our Stawell mine continued to show steady improvement, quarterly production came up

short of our projection. The Kemess mine had another excellent quarter bringing its 2010 total to over 100,000 ounces of gold for its final full year of production at a net cash cost of \$370 per ounce. As announced earlier this week in our three year production forecast, we are looking forward to the considerable growth and transition of our company as we focus on building the Young-Davidson mine in 2011. Young-Davidson, along with our Australian operations and a robust \$14.5 million exploration program focusing on a number of exciting discoveries and targets, position Northgate well for significant and sustainable growth for many years to come."

## **Results of Operations**

### **Fosterville Gold Mine**

The Fosterville Gold mine achieved quarterly production of 23,108 ounces of gold, which was better than forecast, due to higher than expected ore grades in the stopes that were mined. For the second straight year, production at Fosterville exceeded the 100,000-ounce mark. The mine produced a total of 100,441 ounces of gold in 2011, which was slightly less than the 103,360 ounces produced last year. The net cash cost of production in the fourth quarter and full year 2010 were lower than the most recent forecast at \$856 and \$739 per ounce, respectively, despite the substantial appreciation of the Australian dollar during the year, which averaged slightly below parity with the US dollar for the last three months of 2010. Production in 2011 is forecast to be in the range of 97,000 - 102,000 of gold.

### **Stawell Gold Mine**

During the fourth quarter, the Stawell Gold mine produced 17,882 ounces of gold at a net cash cost of \$1,127 per ounce. The mine has continually improved operations since the low production performance in the second quarter of the year. However, production in the fourth quarter was hampered by lower grades mined than forecast. For the full year 2010, Stawell produced 71,482 ounces of gold at an average net cash cost of \$964 per ounce. The net cash cost for 2010 was negatively impacted primarily by lower than forecast production resulting from lower than expected ore grades and also by a stronger Australian dollar relative to the US dollar. Production in 2011 is expected to increase by at least 20% from 2010, to between 86,000 - 91,000 ounces of gold, and in years 2012 and 2013, this ramp up of production is expected to continue with production forecast to be in the range of 105,000 - 117,000 ounces as ore is increasingly sourced from the higher-grade GG6 zone.

### **Kemess South**

The Kemess South mine posted solid fourth quarter production of 25,087 ounces of gold and 10.6 million pounds of copper, bringing total production for all of 2010 to 100,789 ounces of gold and 40.7 million pounds of copper. The net cash costs for the fourth quarter and full year 2010 were \$133 and \$370 per ounce, respectively, which was slightly higher than forecast due to lower than forecast copper production in the fourth quarter of the year.

Kemess South is scheduled to close in March 2011. Since taking ownership of the operation in 2000, the mine has produced nearly three million ounces of gold and 700 million pounds of copper, generating almost \$900 million in cash flow from operations.

### **Young-Davidson**

Significant progress was made during the last half of 2010, as a number of activities ramped up on site since construction began in August. In the fourth quarter, we completed construction of the new hoist house for the existing shaft. We also completed the raise bore pilot hole for the first leg of a new 5.5 metre ("m") diameter Northgate production shaft and are pleased to announce that the raise bore work for the shaft has commenced. In addition, we completed clearing the area where the process plant will be built and have commenced pouring concrete for the mill building. Construction of the main plant site and tailings impoundment areas was ongoing during the quarter and will continue through 2011.

In the underground section of the mine, we installed and commissioned new ventilation equipment to service the increased mine development activities. The ramp that will serve as the main access to underground ore was extended to a total length of 3,900 m and an additional 755 m of lateral development was achieved during the quarter.

**In the first half of 2011, major development activities include:**

- Continuing major earthworks required for the preparation of the project site.
- Commissioning the new hoist and commencing sinking operations of the existing shaft.
- Raise boring work for the first leg of a new 5.5 m diameter Northgate production shaft.
- Completing the erection of the mill building.
- Preparing the materials required for the construction of the tailings dam.
- Starting the installation of major process equipment.
- Continuing with the construction of the 115 kV power line.
- Commencing the open pit pre-production development.

### **Year End 2010 Financial Results**

Northgate's audited financial results for the year ended December 31, 2010 are scheduled for release before the market opens on March 8, 2011 and the Corporation's year-end conference call and webcast for investors and analysts will be held at 10:00 am (Eastern Time) on the same day. Dial-in information for the conference call and webcast will be made available in the coming weeks.

Northgate Minerals Corporation is a gold and copper producer with mining operations, development projects and exploration properties in Canada and Australia. Our vision is to be the leading intermediate gold producer by identifying, acquiring, developing and operating profitable, long-life mining properties.

### **Cautionary Note Regarding Forward-Looking Statements and Information:**

This Northgate press release contains "forward-looking information", as such term is defined in applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, concerning Northgate's future financial or operating performance and other statements that express management's expectations or estimates of future developments, circumstances or results. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "expects", "believes", "anticipates", "budget", "scheduled", "estimates", "forecasts", "intends", "plans" and variations of such words and phrases, or by statements that certain actions, events or results "may", "will", "could", "would" or "might" "be taken", "occur" or "be achieved". Forward-looking information is based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which Northgate operates, are inherently subject to significant operational, economic and competitive uncertainties and contingencies. Northgate cautions that forward-looking information involves known and unknown risks, uncertainties and other factors that may cause Northgate's actual results, performance or achievements to be materially different from those expressed or implied by such information, including, but not limited to gold and copper price volatility; fluctuations in foreign exchange rates and interest rates; the impact of any hedging activities; discrepancies between actual and estimated production, between actual and estimated reserves and resources or between actual and estimated metallurgical recoveries; costs of production; capital expenditure requirements; the costs and timing of construction and development of new deposits; and the success of exploration and permitting activities. In addition, the factors described or referred to in the section entitled "Risk Factors" in Northgate's Annual Information Form for the year ended December 31, 2009 or under the heading "Risks and Uncertainties" in Northgate's 2009 Annual Report, both of which are available on the SEDAR website at [www.sedar.com](http://www.sedar.com), should be reviewed in conjunction with the information found in this press release. Although Northgate has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in forward-looking information, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information in this press release is made as of the date of this press release, and Northgate disclaims any intention or obligation to update or revise such information, except as required by applicable law.

### **Cautionary Note to US Investors Regarding Mineral Reporting Standards:**

The Company prepares its disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Terms relating to mineral resources in this press release are defined in accordance with National Instrument 43-101-Standards of Disclosure for Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy, and Petroleum Standards on Mineral Resources and Mineral Reserves. The Securities and Exchange Commission (the

“SEC”) permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. The Company uses certain terms, such as, “measured mineral resources”, “indicated mineral resources”, “inferred mineral resources” and “probable mineral reserves”, that the SEC does not recognize (these terms may be used in this press release and are included in the Company’s public filings which have been filed with securities commissions or similar authorities in Canada).

\* The net cash cost per ounce of production is a non-GAAP measure. See section entitled “Non-GAAP Measures” in the Corporation’s third quarter MD&A Report. Q4 and full year 2010 cash cost figures are unaudited estimates and are subject to revision.

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