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**George Cross**

*Robb A*

WESTERN CANADA

**GRANDUC MINES LTD. (GDC-V)**

**NEWHAWK GOLD MINES LTD. (NHG-T)**

SULPHURETS FEASIBILITY COMPLETED - CORONA CORP. has delivered the feasibility study for the Sulphurets gold/silver deposit located 50 km north of Stewart, NW B.C. which is a joint venture between Newhawk Gold 60%, and Granduc 40%. The study was carried out by Corona in conjunction with Fluor Daniel Wright Engineers Ltd. and senior personnel from the joint venture.

Based on a 350 ton-per-day operation producing 67,500 oz. gold equivalent per year, the study assumes capital costs of \$42,700,000, including \$3,000,000 in working capital and a 15% contingency. Direct operating costs are estimated at US\$145 per ton or \$265 per ounce gold equivalent. -An economic review based on a gold price of US\$400 per ounce and a silver price of US\$5 per ounce, suggests a pre-tax discounted cash flow rate of return of about 7% may be expected. Financial analysis has also shown with a gold price of US\$450 per ounce, the pre-tax discounted cash flow rate of return would rise to about 20% and payback could occur in 28 months.

The feasibility study was limited to the West zone, where extensive exploration has been conducted since 1986. Proven and probable geological reserves for the West zone are 715,000 tons grading 0.431 oz.gold/ton and 19.7 oz.silver/ton. Fully diluted mineable reserves are 550,900 tons grading 0.418 oz.gold/ton and 18.0 oz.silver/ton. (SEE GCML No.57, 21Mar90, P.1)

104B 193