

# Eagle Hill Exploration Files Preliminary Economic Assessment Technical Report and Outlines Next Steps for the Windfall Lake Gold Project

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VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Jun 11, 2015) - [Eagle Hill Exploration Corp.](#) (TSX VENTURE:EAG) ("Eagle Hill" or the "Company") is pleased to announce that it has filed on SEDAR the National Instrument 43-101 technical report for the Preliminary Economic Assessment ("PEA") for Eagle Hill's 100%-owned Windfall Lake Gold Project ("Windfall Lake" or the "Project") in Quebec, Canada, the results of which were originally disclosed on April 28, 2015. The report is available for download at [www.SEDAR.com](http://www.SEDAR.com) and on the Company's website at [www.eaglehillexploration.com](http://www.eaglehillexploration.com). All figures are quoted in Canadian dollars unless otherwise noted.

The PEA outlines the design of a 1,200 tonne per day ("tpd") underground mine producing 106,200 ounces of payable gold annually for 7.8 years at an average total cash cost of \$558/oz of gold (US\$480/oz). At the base case gold price of US\$1,200/oz the project has a pre-tax internal rate of return ("IRR") of 23.6% and a net present value discounted at 5% ("NPV<sub>5</sub>") of \$241.4 million (post-tax 17.2% and \$135.2 million). At a gold price of US\$1,320/oz the pre-tax IRR and NPV<sub>5</sub> increase to 29.1% and \$325.9 million, respectively (post-tax 21.1% and \$183.5 million) and at a gold price of US\$1,440/oz the pre-tax IRR and NPV<sub>5</sub> increase to 34.4% and \$410.5 million, respectively (post-tax 24.8% and \$230.1 million). Initial project capital costs are estimated at \$240.6 million. Project economics are most sensitive to the exchange rate and gold price and least sensitive to operating costs.

## PEA Highlights (1)

Total LOM production	828,000 ounces of payable gold
Average LOM annual production	106,200 ounces of payable gold
Average LOM operating cash cost	C\$547 per ounce (US\$471)
LOM total cash cost	C\$558 per ounce (US\$480)
LOM total cash cost plus sustaining capital	C\$623 per ounce (US\$536)
Mine life	7.8 years
Throughput	1,200 tpd
Average mined grade	8.26 g/t gold
Gold recovery	95.7%
Pre-production capex	C\$240.6 million (US\$206.9 million)
Sustaining capex	C\$53.5 million (US\$46.0 million)
Pre-tax NPV <sub>5</sub>	C\$241.4 million (US\$207.6 million)
Pre-tax IRR and payback	23.6%, payback in 3.4 years
Post-tax NPV <sub>5</sub>	C\$135.2 million (US\$116.3 million)
Post-tax IRR and payback	17.2%, payback in 3.9 years
Base case gold price	US\$1,200 per ounce
Base case exchange rate	US\$0.86:C\$1

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty the results of the PEA will be realized.

The PEA was led by TetraTech Inc.'s Canadian Mining Division (mine design, infrastructure and financial analysis), with contributions from Soutex Inc. (metallurgy and mill trade-off study), Golder & Associates Ltd. (environmental), WSP Global Inc. (tailings evaluation) and SRK Consulting (Canada), Inc. (mineral resource

estimate).

### Optimization Opportunities

Eagle Hill and the PEA consultants have identified a number of opportunities to optimize the project, including the possibility of reducing operating costs by bringing hydro power to site, improving project economics by incorporating silver credits, and the potential to both expand and upgrade the resource with additional drilling. In light of the proposed combination (described below), Eagle Hill is reviewing potential exploration and technical programs for the remainder of 2015.

"Eagle Hill had intended to optimize and expand on the work done in the PEA through further exploration and commencement of a pre-feasibility study," said David Christie, President & CEO of Eagle Hill. "We are reviewing these plans in the light of the proposed combination with Oban Mining, Temex Resources, Ryan Gold and Corona Gold.

"Our support for the proposed combination was based, in part, on Oban's intention to continue advancing the Windfall Lake Project through feasibility and toward production. We believe Windfall Lake holds great potential and are confident that opportunities remain to both increase the Windfall Lake resource base and further optimize economics, bringing additional value to the project."

Proposed Combination with [Oban Mining Corp.](#), [Temex Resources Corp.](#), [Ryan Gold Corp.](#) and Corona Gold Corp.

On June 9, 2015, the Company announced its support for a proposed transaction ("Transaction") whereby [Oban Mining Corp.](#) (TSX:OBM) ("Oban") will launch share exchange takeover bids for Eagle Hill, [Temex Resources Corp.](#) (TSX VENTURE:TME), [Ryan Gold Corp.](#) (TSX VENTURE:RYG) and [Corona Gold Corp.](#) (CSNX:CRG) to create a leading Canadian focused gold exploration and development company ("New Oban"). Under the proposed Transaction, Oban has agreed to offer Eagle Hill shareholders 10.0 Oban Shares in exchange for each common share of Eagle Hill. The offer will provide Eagle Hill shareholders with a premium of 258% to the 15-day volume weighted average price of Eagle Hill on the TSX-V ending on June 8, 2015. Additionally, each shareholder of Eagle Hill will receive five common share purchase warrants of Oban (each a "Warrant") per common share of Eagle Hill. Each Warrant will entitle the holder thereof to purchase one Oban share at a price of \$0.15 per Oban share, for a period of 36 months following the closing date. Oban will make an application to the Toronto Stock Exchange ("TSX") to list the Warrants. Pursuant to the Transaction, existing Eagle Hill warrants will become exercisable into the transaction consideration.

Oban has committed to launching the takeover bids no later than July 21, 2015, with the expectation that closing of the Transaction will occur in early August 2015. Completion of the Transaction is subject to Oban obtaining shareholder and TSX approval. Shareholders of Eagle Hill representing 57% of the common shares of Eagle Hill have entered into lock-up agreements with Oban in support of the Transaction.

In addition, Oban has agreed, subject to TSX approval, to complete a private placement with [Osisko Gold Royalties Ltd.](#) ("Osisko") whereby Osisko will invest up to \$20 million in common shares in the capital of Oban ("Oban Shares") at a price of \$0.11 per Oban Share (the deemed net asset value per share value of Oban), provided that such investment shall not be for more than 19.9% of New Oban.

If completed, the Transaction would bring together major exploration assets in Ontario and Quebec under experienced management in a well-capitalized vehicle, with over \$65 million in cash and a significant global gold resource. Dundee Corporation and Osisko will be key shareholders in New Oban, by virtue of their respective existing holdings in four of the five companies involved in the combination, and Osisko's new investment.

Successful completion of the Transaction may materially impact the details and timing of the proposed work program outlined in the "Optimization and Next Steps" section of this press release.

On Behalf of the Board of Directors

David Christie  
President & CEO

### About Eagle Hill Exploration Corporation

[Eagle Hill Exploration Corp.](#) is a Canadian mineral exploration company focused on the exploration and

development of the high-grade Windfall Lake gold deposit, located between Val-d'Or and Chibougamau in Quebec, Canada. The bulk of the mineralization occurs in the Main Zone, a southwest/northeast trending zone of stacked mineralized lenses, measuring approximately 600 metres wide and at least 1,400 metres long. The deposit remains open at depth and along strike. Additional exploration and technical work is planned for 2015 and 2016 as the project advances to pre-feasibility. More information is available at [www.eaglehillexploration.com](http://www.eaglehillexploration.com).

On June 9, 2015, Eagle Hill announced a proposed combination with [Oban Mining Corp.](#), [Temex Resources Corp.](#), [Ryan Gold Corp.](#) and [Corona Gold Corp.](#) by way of a share exchange takeover bid by Oban. If completed, the proposed combination would create a new leading Canadian focused gold exploration and development company with approximately \$65 million in cash and investments. Completion of the combination is subject to Toronto Stock Exchange approval.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

### **Qualified Person**

The Windfall Lake Project is under the direct supervision of Jean-Philippe Desrochers, PhD, PGeo, Eagle Hill's Vice President Exploration, and Paul-Henri Girard, Eng, a Director of Eagle Hill, both of whom have sufficient experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person ("QP") as defined by National Instrument 43-101 ("NI 43-101"). The scientific and technical content of this press release has also been reviewed by Eagle Hill's QPs.

In addition, each of the individuals listed below are independent QPs for the purposes of NI 43-101. All scientific and technical information in this press release in respect of the Windfall Lake Project or the PEA is based upon information prepared by or under the supervision of those individuals.

For TetraTech Inc.'s Canadian Mining Division, Mike McLaughlin, PEng (mining); for Golder & Associates Ltd., Rodrigue Ouellet, Eng (Environment); for WSP Global Inc., Marie-Claude Dion, Eng (tailings and water storage facility); for Soutex Inc., Pierre Roy, Eng (metallurgy and processing). The geological model was constructed by Dr. Jean-François Ravenelle, PGeo, and Dominic Chartier, PGeo. Dr. Ravenelle and Mr. Chartier are full-time employees of SRK Consulting (Canada) Inc. and QPs under NI 43-101, and are independent of the Company.

### **Cautionary Note Regarding Forward-looking Statements**

This document contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). The use of any of the words "intends", "commence", "planned", "planning", "will", "prepare", "optimize", "proposed", "subject to", "expectation", "may" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such forward-looking statements should not be unduly relied upon. This document contains forward-looking statements and assumptions pertaining to the following: uncertainty regarding the Company's ability to execute and implement future plans and the completion of the business combination announced on June 9, 2015 involving Eagle Hill, Oban Mining, Temex Resources, Ryan Gold and Corona Gold; uncertainty as a result of the preliminary nature of the PEA and the Company's ability to realize the results of the PEA; uncertainty regarding the inclusion of inferred resources in the mineral resource estimate and the Company's ability to upgrade the inferred mineral resources to a higher category; uncertainty regarding the ability to convert any part of the mineral resource into mineral reserves; uncertainty involving resource estimates and the ability to extract those resources economically, or at all; uncertainty involving drilling programs and the Company's ability to expand and upgrade existing resource estimates; uncertainties regarding the market price for gold and its effect on project economics; uncertainties regarding the C\$:US\$ exchange rate and its effect on project economics; the regulatory process and actions; the need to work with local communities and authorities to advance the properties; the need to work with Dundee Corporation and Southern Arc Minerals to advance the property; technical issues; new legislation; competitive factors and conditions; uncertainties resulting from potential delays or changes in plans; the occurrence of unexpected events; . Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors, including uncertainty related to drill results and the inclusion of drill results in future resource estimates for the property. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct.

(1) Operating cash cost = all on site operating costs. Total cash cost = operating cash cost plus royalties plus

refining plus transport. Total cash cost plus sustaining = total cash cost plus sustaining capital costs (excludes initial capex).

## Contact

[Eagle Hill Exploration Corp.](#)

David Christie, President & CEO

647-253-1144

info@eaglehillexploration.com

[Eagle Hill Exploration Corp.](#)

Rhylin Bailie, Vice President, Communications & Investor Relations

604-609-6143

info@eaglehillexploration.com

www.eaglehillexploration.com

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