

Sabina Gold & Silver Makes Formal Construction Decision for the Goose Gold Mine

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VANCOUVER, Sept. 07, 2022 - [Sabina Gold & Silver Corp.](#) ("Sabina") or (the "Company") (SBB - TSX/SGSVF - OTCQX) provides an update on advancements of the Goose Mine development at the Company's 100% owned Back River Gold District in Nunavut, Canada. The Goose Mine is the Company's first mine on the 80 km long Back River Gold District, a multi-generational mining district already with a high-grade world class gold endowment.

Over the past few years, Sabina has been steadily advancing logistics, civil works, engineering and procurement. All pre-development activities are now completed and we are ready for full construction to commence in 2023. All major equipment and materials required for construction have been either procured, marshalled at our east and west transportation hubs, have been delivered or are in transit to the Port Facility in Bathurst Inlet, Nunavut. In addition, the underground ramp has been progressed to our first ore access sublevel and will be sufficiently completed to enable underground drilling of the V2 zone in the 4th quarter of this year. With financing in hand and these significant activities completed, the Board of Directors of the Company has made a formal construction decision for the Goose Mine.

"This is a milestone decision for the Company," said Bruce McLeod, President & CEO "We are excited to formally commit to becoming a significant Canadian gold producer. In the meantime, we have been steadily advancing the project to be in a position to commence full construction in early 2023 with first production expected in Q1, 2025. Our recruitment efforts continue to be successful with considerable additions to the roster (from 30 personnel in March to 142 to-date and still adding), including many key positions."

"Additionally, we are fortunate that our strategy of pre-planning and accelerating procurement efforts has reduced our exposure to inflationary impacts and supply chain issues, and we are sufficiently funded for construction. This is an exciting time for the Company as we move to develop what we believe will be the first mine on this prolific gold district," he said.

After the Company arranged over ~C\$800 million of project financing package earlier this year, significant procurement, engineering and civil work has been completed at both the Goose site and the Port facility.

Of the C\$610 million CAPEX estimated, approximately C\$218 million was identified as direct equipment and materials purchases. Sabina has procured, or has committed agreements to procure, just over 75% of these identified purchases. Reconciliation on purchases have seen an average overall inflationary escalation of 14% since March of 2021, with a 20% escalation on the purchases made in 2022. The Company continues to monitor, with a strategy of pre-planning and accelerating procurement efforts to reduce exposure to inflationary impacts. Efforts now focus on securing the remaining 25% of materials required.

Advancement Highlights and Schedule

Engineering

- FLSmidth ("FLS") has been selected to supply the key process equipment for the Goose Mine. The equipment package is valued at approximately US\$39 million and has been fabricated or is in the production queue for delivery on or before the 2023 sealift to ensure installation prior to the mine start-up date, scheduled for Q1, 2025.

- The design for the Echo open pit, which is to be pre-mined to enable initial tailings storage was completed and pre-stripping is now underway. The early mining of the Echo and Umwelt pits, will ensure approximately two years' worth of stock-piled feed for the mill, will be available prior to commencement of operations; and
- Detailed engineering is approaching 85% completion for the overall project and approximately 95% for the process plant design. The remaining engineering activities are focused on updating vendor data, as the procurement activities progress on miscellaneous equipment.
- Issued For Construction drawings ("IFC") for all structures are complete with engineering on IFC secondary steel structures expected during the 3rd quarter of this year. Additionally, the IFC drawings for the process plant piping are also near completion.

Procurement

All major items for construction have been procured.

Items include:

- 24 MW (N+2 configuration) Power plant co-generation system with boilers and ancillary equipment (prime power generators) have already been delivered to our Port;
- 95% of the planned mining fleet;
- All major process plant components (for a plant with a capacity of 4000 TPD);
- Permanent accommodation complex (500 units) with kitchen and recreation center;
- 95% of building envelope steel and cladding;
- 100% of project explosives required for construction phase;
- Mobile cranes and major construction support equipment;
- All of the project cement & rebar requirements - with concrete batch plant available on site;
- 80% of secondary structural steel for the process plant and Process piping;
- 100% of all tailing, reclaim and freshwater piping for the project (~11.5Km of piping).
- All conveyor galleries and arctic corridors.
- All electrical E-houses.
- Electrical switch gear for the Powerhouse.
- Water and sewage treatment plant.
- HVAC unit and Dust collections systems.
- Fuel dispensing and offloading system for Goose and the port site.
- All the construction and mobile equipment required for the winter ice road construction (construction on both ends of the road to commence simultaneously).
- Crushing/screening unit and washer plant on site for concrete aggregate;
- Additional 15 million liter tank storage for both Goose and Port sites; and
- Liner material for all water management structures.

There is approximately C\$62 million of remaining items to be procured. Financing is in hand for these items which include:

- Remaining platework, pumps and tank insulation - materials for which engineering is completed and quotes are being finalized;
- Electrical bulks and cable tray;
- Electrical miscellaneous equipment (process plant and powerplant);
- PLC controls systems;
- Instrumentation for the project;
- Communication systems; and
- Balance of fuel storage at Goose and Port Sites.

Civil Works & Logistics

Considerable pre-development activities have already been completed at the Goose and Port sites.

Port Facility and 2022 Sealift

At the Port Facility an additional 25,000m² of laydown area for equipment and supply storage has been completed.

To reduce the length of the Winter Ice Road ("WIR") route and improve alignment, an additional 1.9 km of permanent road was constructed to better align and improve traffic flow through the port site.

Port Facility Work Completed in 2022:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/6671b636-078a-47e9-a2ca-bc3d935ed740>

Additionally, 1.7 km of fuel transfer conduit and road was constructed and installed to safely and efficiently facilitate this year's fuel delivery.

Completed Fuel Transfer Conduit at Port Facility:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/d94ec9f4-9530-48ea-99d1-22e6af1e28bc>

The first vessel from the east arrived at the Port Facility on August 24 with approximately \$67.5 million of equipment and supplies to be offloaded. The vessel has been successfully off-loaded and has departed our port.

First Vessel received, off-loaded and departed September 6th, 2022:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/8154a211-7efe-4de5-8661-5e5ba703ebee>

The first barge with equipment & supplies from the west is expected to depart Tuktoyaktuk on September 7, 2022 with scheduled arrival at the Port Facility on September 12th. The second sailing from the west is expected to depart on September 9th. The fuel delivery vessel arrived at the Port Facility on September 5th and is scheduled to be off-loaded.

Goose Site Civil Works

At Goose, approximately 45% of overall project and ~98% of plant site civil works have been completed or are underway including:

- All building bedrock preparations are nearing completion to be ready for concrete civil crews next year;
- 25M liter fuel berm containment is complete;
- 10M liter fuel tank is being prepared for the WIR fuel offload;
- Fresh and potable water systems are being constructed for permanent camp use;
- Plant site dump pond lining placement is underway; and
- Exploration camp upgrades have been completed.

Aerial View of Process and Accommodation Pad & Road Network:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/341d7963-69b4-4ce5-8176-418136053913>

Arial View Of Plant and Accommodation Pad:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/59384730-028e-44eb-b681-87e48473a282>

10M Liter Fuel Tank and Berm and plant/accommodation pad construction 2022:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/32352b10-299f-4fae-887a-569c373cb188>

Additionally, Echo Pit pioneering work is underway with initial stripping completed and approximately 40,000m³ of material broken. The Echo pit haul road and non-contact water diversion is also under construction.

Pre-Stripping at Echo Pit:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/ca2ff9bf-794d-42f3-b035-09b1a42a47fe>

Development of the underground portal has progressed with approximately 992m completed. With first underground exploration drilling expected to commence in the 4th quarter.

Umwelt Underground Portal September 2022:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/bc1b3b0d-e8fa-4d5f-94ce-021eef224437>

Human Resources and Recruitment

Upon completion of the project financing package earlier this year, the Company established a Human Resources team with a focus on recruiting and enhancing exiting policies and protocols to enable successful development into a producer. The HR team has been very successful in adding key personnel to the Company roster increasing from 30 full-time employees in March of this year to 142 full-time employees to-date.

Alternative Energy Initiative

Sabina has submitted a regulatory package to the Nunavut Planning Commission and the Nunavut Impact Review Board focused on the advancement of the Back River Alternate Energy Center. This proposal could allow Sabina to install up to 13 wind turbines, each with a power capacity of up to 4.5 megawatts, a solar panel array with a power capacity of approximately 5 megawatts and a battery storage system with a capacity of approximately 50 megawatt-hours. If approved and constructed the Back River Alternate Energy Center will significantly reduce Project greenhouse gases emissions, reduce traffic on the Winter Ice Road, and reduce the number of ships required. Sabina anticipates further direction on process from the Nunavut Impact Review Board in the coming months.

[Sabina Gold & Silver Corp.](#)

[Sabina Gold & Silver Corp.](#) is an emerging gold mining company that owns 100% of the district scale, advanced, high grade Back River Gold District in Nunavut, Canada.

Sabina filed an Updated Feasibility Study (the "UFS") on its first mine on the district, the Goose Mine, which presents a project that will produce ~223,000 ounces of gold a year (first five years average of 287,000 ounces a year with peak production of 312,000 ounces in year three) for ~15 years with a rapid payback of 2.3 years, with a post-tax IRR of ~28% and NPV5% of C\$1.1B at a gold price of \$1,600 USD. See "National Instrument (NI) 43-101 Technical Report - 2021 Updated Feasibility Study for the Goose Project at the Back River Gold District, Nunavut, Canada" dated March 3, 2021.

The Project has received all major permits and authorizations for construction and operations.

The Company has arranged a comprehensive project financing package comprised of:

- A US\$425 million senior secured debt facility, gold prepay and stream package with Orion Mine Finance and [Wheaton Precious Metals Corp.](#); and
- US\$221 million in equity including Zhaojin's participation.

The Company is also very committed to its Inuit stakeholders, with Inuit employment and opportunities a focus. The Company has signed a 20-year renewable land use agreement with the Kitikmeot Inuit Association and has committed to various sustainability initiatives under the agreement.

The Company continues to advance exploration and project optimization, including advancing the planned plant expansion to 4,000 tpd from Year two to initial startup.

All news releases and further information can be found on the Company's website at www.sabinagoldsilver.com or on SEDAR at www.sedar.com. All technical reports have been filed on

www.sedar.com

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Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws (the "forward-looking statements"), including, but not limited to, statements related to the expected use of proceeds of the Offering and the projections and assumptions of the results of the UFS. These forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. While we have based these forward-looking statements on our expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the uncertainty of production, development plans and costs estimates for the Back River Gold Project; discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs; the interpretation of drill, metallurgical testing and other exploration results; the ability of the Company to retain its key management employees and skilled and experienced personnel; exploration, development and mining risks and the inherently dangerous nature of the mining industry, and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties; property and mineral title risks including defective title to mineral claims or property; the effects of general economic conditions, commodity prices, changing foreign exchange rates and actions by government and regulatory authorities; and misjudgments in the course of preparing forward-looking statements. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with exploration and project development; the need for additional financing; the calculation of mineral resources and reserves; operational risks associated with mining and mineral processing; fluctuations in metal prices; title matters; government regulation; obtaining and renewing necessary licenses and permits; environmental liability and insurance; reliance on key personnel; the potential for conflicts of interest among certain of our officers or directors; the absence of dividends; currency fluctuations; labour disputes; competition; dilution; the volatility of the our common share price and volume; future sales of shares by existing shareholders; and other risks and uncertainties, including those relating to the Back River Project and general risks associated with the mineral exploration and development industry described in our Annual Information Form, financial statements and MD&A for the fiscal period ended December 31, 2021 filed with the Canadian Securities Administrators and available at www.sedar.com. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We are under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

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