



TOWN OF KING'S POINT, NEWFOUNDLAND &amp; LABRADOR



MARITIME RESOURCES

## Community Update

April 14, 2020

### IN THIS ISSUE

## Positive economic study announced for the Hammerdown Gold Project

On February 29<sup>th</sup>, 2020 Maritime Resources announced a positive and robust Preliminary Economic Assessment (PEA) for the Hammerdown Gold Project near the towns of King's Point and Springdale NL. The PEA was the result of 2 years of exploration drilling and the completion of numerous technical and environmental studies to help design a robust, sustainable project with room to grow.

### Project Concept

The project design calls for a combination of open pit and underground mining of two gold deposits – Hammerdown and Orion. Material would be crushed and pre-concentrated on site before being hauled to the processing plant. The existing gold plant at the Nugget Pond Mill near Baie Verte was selected and is the same plant that processed ore from the original Hammerdown mine in 2000-2004.

### Innovation Unlocks Value

A relatively new technology called “pre-concentration” or “ore sorting” will be used at Hammerdown. These sorting machines are designed to separate gold bearing rock from unmineralized rock without the use of chemicals, and sometimes without water. They use X-rays and laser scanners instead to identify mineralized particles that are then separated using jets of

compressed air to concentrate the mass carrying the gold. Test work conducted by Maritime in 2019 showed this technology to be very effective at separating gold carrying mineralization from waste rock.

### Project Economics

Garett Macdonald, President & CEO of Maritime adds “The Hammerdown Gold Project has the advantage of high-grade resources, available infrastructure and a skilled local workforce. This new study showed a strong business case for continuing our work to re-open the mine with a few new improvements to ensure its longevity. With a 9 year mine life and 70,000 oz/y of gold production over the initial 5 years, an expected capital investment of \$57M and exploration upside Hammerdown is one of the highest quality gold projects in Canada at the moment”.

### Next Steps

Over the next 12 months Maritime will complete a feasibility study for the project and will start project permitting prior to making a production decision. Community and regulatory consultation are key activities that will take place throughout the permitting process. Maritime fully intends to engage all stakeholders as the Project continues to develop.



### Hammerdown Gold Project

Maritime continues to make progress at the Hammerdown site. The project is managed by industry veteran Larry Pilgrim, P.Geo., pictured above on the right.



### Environmental Baseline Studies

GEMTEC staff Leanne Stein, P.Eng. and Christine Chase, M.Eng., P.Eng. testing water levels and flows near the Hammerdown project.

## VALMOT ACADEMY GRADUATES

**Valmont Academy Graduates**

Maritime was pleased to present bursaries to the 2019 graduating class from Valmont Academy. Left to right above – Ryan Kelley, Principal of Valmont Academy, Patrick Carroll, Hailey Noseworthy and Rylie Burt and Larry Pilgrim of Maritime Resources.

## FAST FACTS

# 521,500 oz

Total gold production over the 9 year mine life outlined in the 2020 PEA study

# US\$1,720

Current price of gold per ounce, as of April 14, 2020

# US\$320

Average price of gold per ounce when the Hammerdown mine last operated between 2000-2004

## FOR MORE INFORMATION

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*Winter conditions at the old Hammerdown mine portal. The historic underground workings remain flooded and extensive monitoring for bats has indicated this area is likely not used for roosting or overwintering.*

## Environmental Baseline Studies

by GEMTEC Consulting Engineers & Scientists Limited

A key part of any resource development project is understanding the baseline conditions within the natural environment before the project is designed. This allows us to include design features that minimize impacts during operations and plan for long term closure before any activity takes place.

Hammerdown is a brownfields site in that it was an operating gold mine between 2000-2004. The mine was closed and fully rehabilitated in 2005.

Throughout 2019 Maritime and its consultant GEMTEC completed a range of environmental baseline studies at the Hammerdown Project to characterize the existing environment, including terrestrial, aquatic, hydrological and hydrogeological studies.

### Initial findings from site

- No rare or endangered plant or animal species were observed in the Project area.
- The region is home to typical boreal forest wildlife species such as moose, black bear, coyote, snowshoe hare, beaver and red squirrel.
- Short-eared owl surveys were carried out but none were detected.
- Fish habitat and stream assessments were carried in Hammerdown Creek and Muir Creek, as well as two other small watercourses/drainages located in the Hammerdown deposit area.
- No fish were detected and only marginal fish habitat is present throughout. In addition each watercourse/drainage had several dry portions along its length.
- Hydrology and hydrogeology studies were completed to characterize existing conditions and understand the interaction of surface water and groundwater systems in the Project

area. This will assist with the development of a site-wide water management plan including dewatering requirements.

- Surface water, groundwater and sediment samples were collected to represent baseline conditions in the vicinity of the Project, and are intended to be used for comparison as part of future monitoring programs for the Project to monitor any changes in water/sediment quality over time as the Project progresses through development and operation.
- Provincial archaeologists confirmed there is a low potential for any historic or heritage resources in the area.
- Initial testing of waste rock samples for potential acid generation and metal leaching yielded encouraging results indicating the waste rock to be non-acid generating. Further testing showed this material met the specifications for construction aggregate.
- Additional baseline studies will be completed as required, or as new deposits are planned for development.

### Tree Planting at Hammerdown

In 2019 students from Valmont planted over 500 trees at Hammerdown. The site looks great.

