

Conquering Silver Hill

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CONQUEST Mining says it will move towards first production at its flagship Silver Hill gold-silver deposit in Queensland within two years, after the prefeasibility study into the project produced positive results.

The Perth-based mining exploration company said the findings from the prefeasibility study demonstrated the economics of the project were “sufficiently robust” and “better than expected”.

The study has estimated a pre-production capital cost of \$A110 million for Silver Hill with life-of-mine operating costs estimated at less than \$400 an ounce for annual production of 135,000oz of gold equivalent over a mine life in excess of six years.

The project has a net present value of greater than \$300 million at an internal rate of return of more than 70% with payback in less than two years.

Base case production at the project has been estimated at up to 50,000tpa of high-grade concentrate and 100,000tpa of low-grade concentrate.

Conquest will now commission a definitive feasibility study prior to a final decision to begin production at Silver Hill.

The company will define the timing and completion of the definitive feasibility study and, subject to the results of that study, the anticipated timing for start of production at Silver Hill in the coming months.

Production is expected to begin within two years at the project.

The company has also progressed talks over potential offtake agreements and remains confident of negotiating contracts in the medium term.

Shares in Conquest have gained 2.5c to 43c in afternoon trade.