


NEED TO DRIVE PRODUCTIVITY?



GEMCOM

Wednesday 18 February 2009

[Make MNN my HomePage](#)

McDONALD
A COMPANY AUSTRALIA/PTC LTD

AUSTRALIA'S MINING MONTHLY
Presents...

Victorian Bushfire Appeal 2009

WEST CORE DRILLING




Cononish study gets thumbs up

Kristie Batten
Tuesday, 17 February 2009

AUSTRALIA'S only Scotland-focused explorer Scotgold Resources says preliminary results of a scoping study for its Cononish gold-silver project confirms the economic viability of the project.

Scotgold's project has an estimated capital cost of \$A26.9 million, with average operating costs estimated to be \$501 per ounce of gold.

Based on the current spot gold price of around \$US944/oz, the project has a net present value of \$A56 million with an internal rate of return of 74%.

However, based on a long-term gold price estimate of \$US720/oz, the project has a NPV of \$A14.5 million and an internal rate of return of 28%.

AMC Consultants, which prepared the study, believes the project will still break even at a gold price of \$A597/oz.

Total production from the underground mine is expected to be 139,600oz of gold and 538,000oz of silver over a six-and-a-half-year life of mine.

The project has a resource estimate of 454,000 tonnes grading 10.2 grams per tonne gold and 40.4gpt silver.

The company is aiming to start production at Cononish in 2010.

Shares in Scotgold were up nearly 5% today to 6.8c.

[Click here to read the rest of today's news stories.](#)



RELATED LINKS

[COMPANY]
- SCOTGOLD RESOURCES LIMITED [SGZ]

[SECTION]
- Final Call
- General

[REGION]
- UK/Ireland

[COMMODITY]
- Gold News
- Silver News

[RELATED STORY]
- Montagu recommends buy in Scotgold
- Maiden resource for Scotland gold explorer
- Promising first results for Scotgold

[OTHER]
- Printable Version
- Send to a Friend

Search this site

Company Search

Company Name

Company Description

Story Search

Type Text Here

Section

Commodity

Region

Feature