



Junior has high hopes for ex-Chinese-owned Ghana gold project

By: Liezel Hill

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TORONTO (miningweekly.com) – TSX Venture Exchange-listed Midlands Minerals could restart production at its flagship Sian gold project, in Ghana, in as little as 12 months, CEO **Kim Harris** said in Toronto on Tuesday.

The asset currently has an NI 43-101-compliant resource of 400 000 oz, but Harris believes there is scope for a much bigger deposit.

Midlands' property is entirely surrounded by land controlled by the world's second-biggest gold-miner, Newmont Mining, and lies 30 km away from Newmont's Akyem project.

"We are in the right place...that's a good place to look for a big deposit," Harris said in a presentation at an event hosted by MineAfrica.

The Sian openpit mine produced gold from 2001 to 2004. Operations were halted when the company that owned it, Chinese-owned and -backed Sian Goldfields, struggled with high costs and escalating strip ratios, and eventually ran out of cash.

The company ran into trouble with the pit engineering, and at one point ended up with a strip ratio of as high as 12:1.

"The pit was basically a big hole that got bigger and bigger," Harris said.

Midlands bought the asset in 2006, and aims to identify at least one-million ounces of gold.

The company does not have to do much to move towards production, as the mine is fully permitted and leased and has infrastructure and carbon-in-leach processing facilities already in place, courtesy of the previous owners, who also spent some \$8-million to move a village to make way for the operation.

"The project is economic, it is absolutely economic. It is just a matter of getting the plant recommissioned and getting the tonnage up."

The 400 000-oz resource is based on drilling in the pit to a level of only 120 m, so Midlands plans to increase and upgrade the resource both by infill drilling and by drilling below the 120 level "and the values are getting higher the deeper we go", Harris said.

"The second thing we want to do is an engineering review of the plant, to make sure that we understand what is required to get it back into operation."

As an initial estimate, the company thinks the plant could produce 2 000 t/d, which could translate into some 44 500 oz/y.

Midlands also has gold assets in Tanzania, and has found diamondiferous kimberlites on one of them.

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Tel: +27(0)11 622 3744 | Fax +27(0)11 622 9350 | newsdesk@miningweekly.com
<http://www.miningweekly.com>