

MAS Gold Corp. to Acquire a 100% Interest in the Former Producing Contact Lake Gold Mine La Ronge Greenstone Belt, Saskatchewan

written by Igor Makarov | September 14, 2021

September 13, 2021 ([Source](#)) – **MAS Gold Corp.** (“**MAS Gold**” or the “**Company**”) (TSXV: [MAS](#)) has entered into an agreement (the “**Agreement**”) with the Government of Saskatchewan (the “**Province**”) to acquire a 100% interest in approximately 463 hectares (the “**Contact Lake Property**”), including the former producing Contact Lake Gold Mine operated from 1994 to 1997 by Cameco Corporation in the highly prospective La Ronge Greenstone Belt of Saskatchewan.

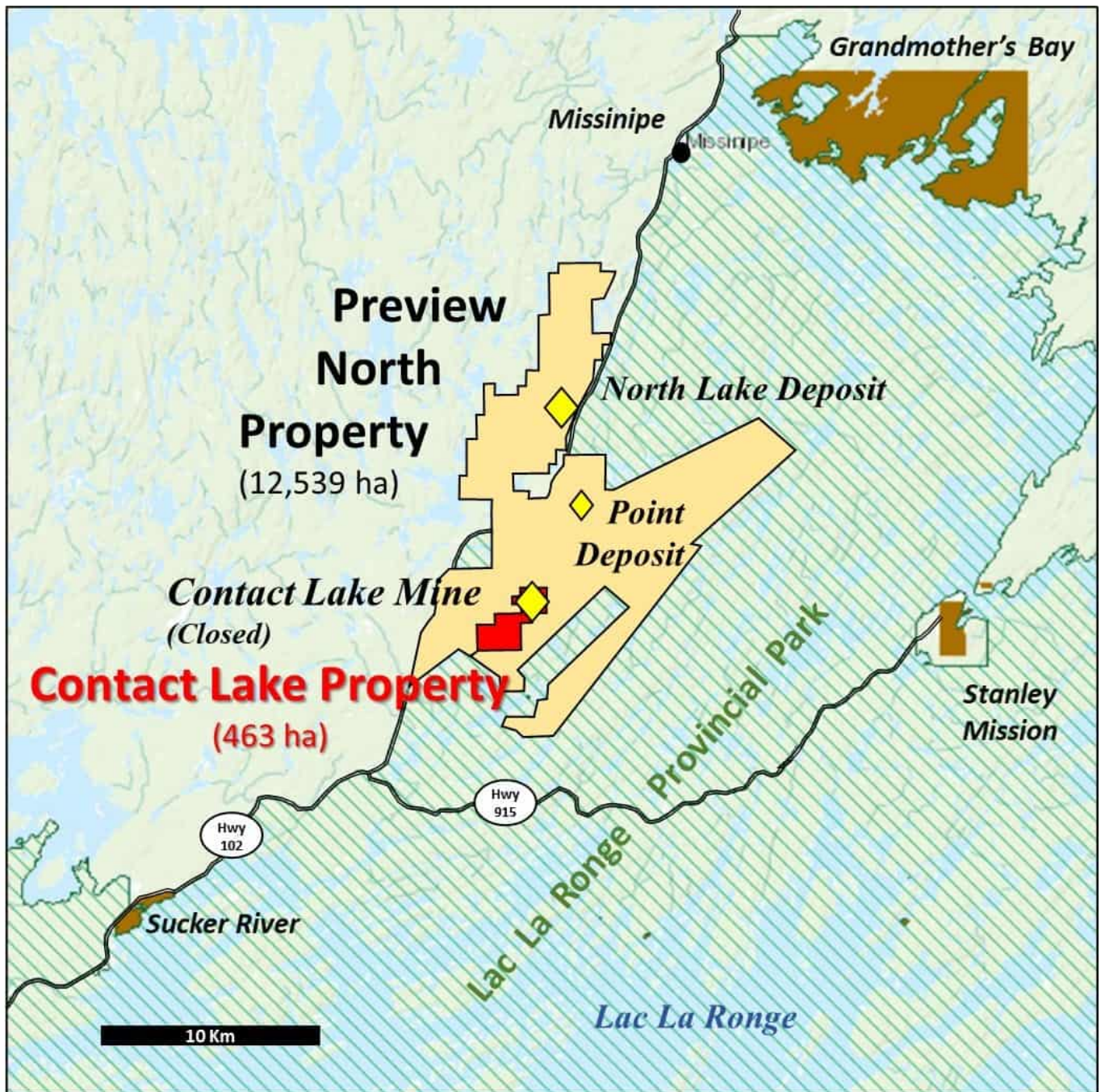


Figure 1: Contact Lake Property Location Map (CNW Group/MAS Gold Corp)

“We are very pleased to be able to announce this acquisition and wish to thank the Saskatchewan Government for working so diligently with us to complete it.” stated CEO Jim Engdahl. “We are very excited to begin working with the voluminal and detailed historical data MAS has available to identify both new resources and the areas that are reported as not mined. We

believe the opportunities to be tremendous given the underground infrastructure in place and the significant amount of data we have available to begin developing a new model that will guide a new round of exploration drilling on this brownfields site.” Mr Engdahl added, “The Contact Lake mine site is located within 10km of MAS Gold’s North Lake Deposit and is an important new addition in our “hub and spoke” mining concept.”

The Agreement was made pursuant to the Saskatchewan *Reclaimed Industrial Sites Act* (“**RISA**”). The Contact Lake Property is located approximately 57 kilometres north of the town of La Ronge on Provincial Highway 102 and 6 kilometres east of the highway (see Figure 1). Upon completion of the transaction, MAS Gold will hold mineral rights to roughly 34,306 hectares (84,771 acres) spread along the full trend of the La Ronge Gold Belt.

The Contact Lake Property

The Contact Lake gold deposit (or Bakus Gold Zone) was first identified by Saskatchewan Mining Development Corporation (SMDC; later Cameco Corporation) exploration field crews in 1984 as part of its Preview Lake Exploration Program that also resulted in the discovery of the nearby Point and Preview SW gold deposits. Operations were conducted from December 1994 to May 1998; decommissioning was completed by December 1998 when the mine was put on care a maintenance. Final site closure was declared in March 2008.

In January 1999, after the termination operations, Cameco Corporation undertook a full internal review (or audit) of the “...start up, operation, overall finances and decommissioning of the Contact Lake mine” (1999; Leniuk, G., B. Bharadwaj, G. Alderman & R. Wyka: *Cameco Corporation Contact Lake Operation, Final Report, January, 1999*). The *Final Report* provides complete historical production and recovery values for the entire

operation, plus results from the processing of “waste materials” from the final clean-up of both the mill and mine operations (the latter sent to G.D. Resources in Sparks, Nevada; see Table 1).

<u>TABLE 1: Contact Lake Mine Historical Production *</u>				
Period	Material Processed (tonnes)	Head Grade (g Au/t)	Gold Recovered (ounces)	Mill Recovery (%)
Dec. 1994 – May 1998	1,006,673	6.16	188,185	95
August, 1998	Mill clean-up material	n/a	1,903	n/a
*	<p>The reader is cautioned that the referenced “historical production” estimates are considered historical in nature and as such are based on prior data and reports prepared by the previous property owner. There can be no assurance that any of the historical data, in whole or in part, is accurate. A qualified person has not done sufficient work to verify these historical data and no resources estimates, historical or otherwise are implied or provided. Significant data compilation, re-drilling, re-sampling and data verification are required by a qualified person on the Contact Lake Property to define a current resource.</p>			

Significant underground development remains at the site of the Contact Lake Mine that could be reconditioned, including a 6.0 metre (m) x 4.0 m ramp to a depth of roughly 340 m and 6 main levels and various sub-levels. Level 5244 was driven 230 m to the east-northeast along the structure of the zone to access historically defined resource blocks that were not mined. Gold recovery over the life of the mine was reported to be 95%, utilizing gravity and cyanide leach plus carbon-in-pulp processes run at a throughput rate of 715 to 925 tonnes per 24-

hour day.

Exploration Plans for the Contact Lake Property

MAS Gold has a significant non-digital data base for the Contact Lake gold deposit and upon the closing of the acquisition it will immediately begin digitizing the data to enable preliminary modelling that will help guide new exploration and confirmation drilling along the trend of the Bakus gold zone. Surface drilling may be designed to both twin historical holes and provide confirmation of historically defined potential resources as well as test the extensions of the zone to the east and to depth.

Numerous historical resource estimates were undertaken on the deposit, both leading up to the production decision being made and during mining. Although estimates of grade were continually refined through the production, reducing from a historical 1993 estimate (Cominco Engineering Services Limited, 1993) of 8.01 g Au/t to the final calculated 6.16 g Au/t, potential exists for the identification of unmined, historically defined resources.

The CESL historical resource estimate outlined seven potential historical resource blocks that were reported in the Cameco Corporation 1999 Final Report as “Not Mined”. Upon closing of the transaction, these are immediate targets for MAS Gold to investigate with winter 2022 surface drilling program. In addition, geological reports identified wider zones of lower grade material in the deposit hangingwall that MAS Gold intends to investigate and model, if the acquisition is consummated.

Details of the Transfer Agreement

Under the Agreement, the Province agrees to transfer the Contact Lake Property to MAS Gold provided MAS Gold: (i) meets the conditions prescribed in *The Reclaimed Industrial Sites*

Regulations (the “**RISA Regulations**”); (ii) agrees to accept responsibility for the Contact Lake Property in accordance with the *RISA Regulations*; (iii) provides evidence satisfactory to the Province that the Company has sufficient resources to cover the anticipated future monitoring and maintenance costs for the Contact Lake Property; and (iv) provides financial assurance in the form and amount acceptable to the Province. MAS Gold has, or is on the process of satisfying these requirements, and expects all of the requirements will be fulfilled by December 31, 2021, following which the Province is to transfer a permit issued pursuant to *The Mineral Tenure Registry Regulations* covering the Contact Lake Property and granting MAS Gold rights to explore or prospect on the Contact Lake Property.

Under the Agreement, MAS Gold will be responsible for monitoring and maintenance of the Contact Lake Property going forward, including all remediation and reclamation costs, arising out of, connected with or incidental to the Contact Lake Property.

The Province accepted the Contact Lake Property into the Institutional Control Program (the “**ICP**”) pursuant to RISA and has monitored and maintained the Contact Lake Property in accordance with the monitoring and maintenance requirements typical to the ICP. The ICP is a formal regulatory process for the long-term monitoring and maintenance of industrial sites when mining or milling activities have ended, remediation has been conducted, and the sites are ready to be transferred to provincial responsibility.

Qualified Person (QP)

The scientific and technical information contained in this news release has been prepared, reviewed, verified and approved by David Tupper, P.Geo. (British Columbia), MAS Gold’s VP Exploration and a Qualified Person within the context of

Canadian Securities Administrators' National Instrument 43-101
– *Standards of Disclosure for Mineral Projects.*

About MAS Gold Corp.

MAS Gold is a Canadian mineral exploration company focused on exploration projects in the prospective La Ronge Greenstone Belt of Saskatchewan. In the belt, MAS Gold operates the Greywacke, North Lake and Point advanced gold projects, each hosting drill-intercepted zones of gold mineralization. MAS Gold's NI 43-101 Technical Report of June 1, 2016 concerning the Greywacke deposit is available on SEDAR and on MAS Gold's website: www.masgoldcorp.com .

On Behalf of the Board of Directors of MAS Gold Corp.

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Caution Regarding Forward Looking Information and Statements

This news release includes certain forward-looking statements or information that could cause actual results to differ materially from MAS Gold's plans or expectations. All statements other than statements of historical fact included in this release, including, without limitation, completion of the transfer of the Contact Lake Property to MAS Gold, planned exploration and development programs, statements regarding metallurgical results and outcomes, any updated technical report, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be

accurate and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events, level of activity, performance or results to differ materially from those reflected in the forward-looking statements, including, without limitation: risks relating to failure of the Company to satisfy the requirement in the Agreement, a breach of the Agreement by the Province, the actual results of current and future exploration activities, fluctuating gold prices, possibility of equipment breakdowns and delays, cost overruns, that MAS Gold may lose or abandon its property interests or may fail to receive necessary licences and permits, availability of capital and financing and general economic, market or business conditions. The forward-looking statements included in this news release are made as of the date hereof and MAS Gold disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.

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