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McEwen Mining reports assays from Stock West in Ontario



Pouring gold dore at the Black Fox gold mine in Timmins, Ontario. PRIMERO MINING

BY CARL A. WILLIAMS

McEwen Mining (TSX: MUX; NYSE: MUX) has reported the latest drill results from the Stock West target, part of the company's Fox Complex in northern Ontario, about 45 km east of Timmins.

Highlights included drillhole S20-149, which intersected 25.7 metres grading 6.08 grams gold per tonne starting from 476 metres, including 0.6 metres of 28.3 grams gold. Hole S20-138a returned 14.3 metres grading 8.43 grams gold from 513 metres, including 1.1 metres of 23.68 grams gold.

The assays from Stock West are from drilling less than 500 metres west of the mill, and are "a great example of the near-term growth opportunities that will augment the company's strategic decision-making over the next two years," Stephen McGibbon, McEwen Mining's vice president of exploration, stated in a press release.

Stock West, which was discovered in late 2019, is being drill tested as part of a fully funded $20 million exploration and delineation program at the Fox Complex. The company has completed 57 holes at Stock West since August 2020.

Stock West is being evaluated as a potential mining operation alongside the Fox Complex's Grey Fox deposit, about 32 km to the east.

Seven drills are currently active on the Fox Complex, including four at Stock West, one at Stock Main, 500 metres east of Stock West, and two at Grey Fox.

The company is preparing a preliminary economic assessment based on the Grey Fox-Black Fox, Stock and Timmins resources, around a centralized mill at Stock, and plans to increase annual production at the Fox Complex to 100,000-150,000 oz. per year at cash costs of US$800 per oz. and all-in sustaining costs of US$1,050 per ounce. The study will also evaluate other opportunities in the district, including its Fuller and Davidson-Tisdale deposits on the Lexam property, about 40 km west of Stock.

It expects to complete the PEA at the end of the second quarter.

MCEWEN MINING REPORTS ASSAYS FROM STOCK WEST IN ONTARIO, continued



The mill at McEwen Mining's Black Fox gold mine near Timmins, Ontario. MCEWEN MINING

McEwen Mining acquired the Fox mine complex from Primero Mining in 2017 for US$35 million. The complex included the Black Fox underground gold mine, a 2,400 tonne-per-day mill, a tailings facility, the past-producing Stock gold mine and two development projects, Grey Fox and Froome.

McEwen Mining kicked off exploration at Stock in 2018, and has defined deposits east and west of the historic Stock mine, within a three km mineralized trend along the Destor-Porcupine Fault. (The Stock underground mine produced 137,000 oz. gold at a head grade of 5.4 grams gold per tonne between 1989 and 2005.)

The Black Fox mine commenced production from 1997 until 2001. Black Fox was recommissioned in 2009 as an open-pit mine from May 2009 until September 2015, and as an underground operation from October 2011. The open pit and underground operations produced a total of 944,000 oz. gold to the end of 2020.

Last year Black Fox produced 24,400 gold-equivalent oz. at cash costs of US$1,397 per oz. and AISCs of US$1,650 per GEO. In the first quarter, Black Fox produced 5,200 GEOs a cash costs of US$1,262 per oz. and AISCs of US$1,560 per oz. McEwen Mining has started transitioning Black Fox to the Froome deposit, where it expects commercial production to begin in the fourth quarter of this year.

The Black Fox mine has measured and indicated resources of 492,000 tonnes grading 5.28 grams gold per tonne for 84,000 oz. gold and inferred resources of 242,000 tonnes grading 5.32 grams gold per tonne for 41,000 ounces.

Grey Fox has total indicated resources of 3.92 million tonnes grading 7.05 grams gold per tonne for 888,000 oz. gold and another 818,000 inferred tonnes grading 6.58 grams gold per tonne for 173,000 ounces.



Workers underground at the Black Fox mine. MCEWEN MINING

In other news, McEwen reported recent drill results from its Gold Bar project in central Nevada, about 48 km northwest of the town of Eureka. Highlights included RGM044M, which intersected 24.3 metres grading 3.4 grams gold from 68 metres.

The company has committed $5 million toward drilling at the project to delineate new resources, replace mining depletion, and further de-risk the geological and metallurgical models that are the basis for future production planning.

McEwen also reported that its joint venture partner and mine operator, Hochschild Mining, is undertaking a $9.3 million drill program in 2021 at the San Jose mine in Argentina, 1,750 km southwest of Buenos Aires. Around $5.7 million of the program is earmarked for exploration drilling of priority targets, including the Escondida Vein and the Telken target. McEwen holds a 49% interest in the project.

At press time in Toronto, McEwen Mining was trading at $1.56 per share within a 52-week trading range of $1.08 and $2.02. The company has around 459 million common shares outstanding for a $716.3 million market capitalization. TNM