

More gold ore from Favona underground than Martha pit

28 February 2007 - Gold ore production from the underground Favona gold mine being developed by Newmont Mining Corporation at Waihi overtook output of ore from the Martha open pit mine in the December quarter of 2006.

Newmont's fourth quarter report says that 86,000 dry short tons of ore was mined underground at the company's Waihi operation compared with nil for the same period of 2005.

Production of open pit ore in the latest quarter was 45,000 dry short tons, down from 347,000 dry short tons in the 2005 December quarter. Newmont Waihi is currently cutting back a sidewall of the Martha pit in the last 2-3 years of the historic mine's operation. Waste rock mined by Newmont rose to 826,000 dry short tons in the quarter from 187,000 tons in the last quarter of 2005.

The amount of ore milled at Waihi of 353,000 dry short tons in the December quarter was greater than that mined over the period, indicating use of stockpiled ore.

Newmont's only comment in the report on its New Zealand operation was that "lower mill throughput is anticipated as a result of planned mine sequencing adjustments."

But reported Waihi statistics showed that 28,600 oz of gold were produced in the latest quarter at an average ore grade of 0.181 oz per ton, down from 34,600 oz at a lower average ore grade of 0.129 oz per ton.

Gold produced at Waihi for the 2006 year was 129,700 oz, down from 163,500 oz in 2005.

Newmont also reported that at December 31 2006 its proven and probable reserves of ore at Waihi were 4,100,000 tons at a grade of 0.14 oz per ton. This was up from 3,500,000 tons at 0.16 oz per ton at the end of 2005.

Proven and probable gold reserves from Waihi were 560,000 oz at the end of 2006, which includes partially developed reserves of 320,000 oz at the Favona deposit.

The Denver-based Newmont Mining reported its net income for 2006 had increased 146% to US\$791 million compared with US\$322 million for 2005.

Despite industry wide challenges of declining reserve grades and escalating costs, Newmont grew its worldwide reserves for the fifth straight year, adding 52.5 million oz of gold to reserves during 2006, while bringing three new mines into commercial production, the company says.

Source: Newmont fourth quarter 2006 report