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02/13 AMAX FINDS LOW-COST
(DW) DEPOSIT OF GOLD IN NEVADA
GREENWICH CONN -DJ- AMAX INC. SAID
THAT BASED ON A STATUS REPORT OF
DRILLING AND ASSAYS COMPLETED AS OF
JAN. 31 A GOLD DISCOVERY IN
NORTHWESTERN NEVADA HOLDS THE POTENTIAL
OF BEING A VERY LOW COST DEPOSIT.

THE COMPANY SAID ITS PRELIMINARY
ESTIMATES INDICATE MINERALIZATION OF AT
LEAST 4.2 MILLION TONS OF MATERIAL -3.8
MILLION METRIC TONS- AVERAGING 0.13
OUNCES OF GOLD PER TON -4.46 GRAMS PER
METRIC TON- AND 0.73 OUNCES OF SILVER
PER TON -25.03 GRAMS OF SILVER PER
METRIC TON- USING A CUTOFF OF 0.03
OUNCES OF GOLD PER TON -1.03 GRAM PER
METRIC TON-. ADDITIONAL MINERALIZATION
MAY BE FOUND Laterally AND AT DEPTH.

AMAX INC. SAID 'WE ESTIMATE THE
DEPOSIT COULD BE BROUGHT INTO
PRODUCTION IN 15 MONTHS TO 18 MONTHS

N AMX 01/02 AL 2/3
BASED ON COMPARABLE PROJECTS. INITIAL
PRODUCTION WOULD BE FROM A CENTRAL HIGH
GRADE ZONE. ESTIMATES OF THIS ZONE
INDICATE APPROXIMATELY 1.4 MILLION TONS
-1.27 MILLION METRIC TONS- OF
MINERALIZED MATERIAL AVERAGING 0.35
OUNCES OF GOLD PER TON -12.0 GRAMS PER
METRIC TON- AND 1.0 OUNCES OF SILVER
PER TON -34.29 GRAMS PER METRIC TON-
USING A CUTOFF OF 0.058 OUNCES OF GOLD
PER TON -1.99 GRAMS PER METRIC TON-.'

THE COMPANY ALSO SAID 'IF FURTHER
STUDIES WARRANT DEVELOPMENT OUR
INITIAL PLANNING IS FOR AN OPEN-PIT
MINE WITH PRODUCTION AT A RATE OF 500
TONS -454 METRIC TONS- OF ORE PER DAY.
IF EXPECTED RECOVERIES ARE ACHIEVED
INITIAL ESTIMATES ARE FOR RECOVERY OF
55 000 TROY OUNCES -1.71 MILLION GRAMS-
OF GOLD PER YEAR AND 60 000 TROY OUNCES
-1.86 MILLION GRAMS- OF SILVER PER
YEAR. WE ANTICIPATE THE MINE WOULD BE
ONE OF THE LOWEST COST PRODUCERS IN THE

N AMX 01/02 AL 3/3
WORLD.'

DETAILED STUDIES ARE BEING CONDUCTED
TO DETERMINE ECONOMIC FEASIBILITY.
MINING BY AN OPEN-PIT METHOD IS
PRESENTLY INDICATED AMAX SAID. THE
STUDIES WILL INCLUDE GRADE AND TONNAGES
TO BE MINED ROCK CONDITIONS EXTRACTION
AND REFINING COSTS ENVIRONMENTAL
CONSIDERATIONS AND GOVERNMENTAL
REGULATIONS.

AMAX SAID IT HAS BEEN CONDUCTING
EXPLORATION IN THE AREA SINCE 1982.

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