
HudBay to ramp up Lalor project in Manitoba

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Reuters reported that HudBay Minerals would put development of its Lalor gold zinc deposit in Manitoba on a fast track and those exploration successes at the site suggested the beginning of a much bigger find.

Shares of HudBay jumped after it said it would spend CAD 85 million to access Lalor through a ramp from its nearby Chisel North mine in order to begin mining by early 2012. That's ahead of the expected completion date of a separate Lalor shaft in 2014.

Mr Peter Jones CEO of HudBay said that their top focus is now on development of Lalor on a fast track basis.

The company, which mines mainly zinc and copper in western Canada, discovered zinc at Lalor two years ago. It has since struck a gold zone and recently hit a deeper copper gold zone. The company released an updated resource estimate showing an indicated resource of 12.3 million tonnes of zinc grading 8.7% zinc and an inferred resource of 5 million tonnes at 9.4% zinc.

In terms of gold, HudBay expects to uncover 3 million ounces at the first 2 zones. It's too early to get a sense of the extend of the newer gold copper zone but HudBay said that the deposit may just be the beginning of a much larger find.

Mr Cashel Meagher HudBay's director of technical services and exploration said that "We are now asking ourselves if this entire deposit of 3 distinct zones if it has the possibility of becoming a much more significant deposit yet."

(Sourced from Reuters)

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