West Red Lake Gold Highlights Bulk Sample Learnings

West Red Lake Gold (TSX.V: WRLG)

Reported how learnings from the test mining and bulk sample program at its 100% owned Madsen Mine in the Red Lake Gold District of Ontario, Canada, are translating directly into a detailed mine plan with generally larger stopes, greater mining efficiencies, and lower cost mining methods than anticipated.


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West Red Lake Gold Mines Ltd.(“West Red Lake Gold” or “WRLG” or the “Company”) (TSXV: WRLG)(OTCQB: WRLGF)is pleased to report how learnings from the test mining and bulk sample program at its 100% owned Madsen Mine (the “Project”) in the Red Lake Gold District of Northwestern Ontario, Canada, are translating directly into a detailed mine plan with generally larger stopes, greater mining efficiencies, and lower cost mining methods than anticipated.

The test mining and bulk sample program had two goals:

1. To confirm that the geologic, engineering, and mining workflow at Madsen enables the Company to model and mine mineralization accurately.
2. To test various mining scenarios and use the results to enable confident mine design that maximizes economic extraction.

The bulk sample results (reported on May 7) achieved the first goal. Close reconciliation between expected and actual tonnes, grade, and contained ounces across six stopes in three areas of the resource validates the Company’s ability to mine at Madsen according to plan.

The Company also succeeded with the second goal. Test mining demonstrated the ability to mine up against historic stopes,

which reduced barriers in stope design and unlocked some resource potential.

Test mining also highlighted the efficiency of mining larger stopes and mining clusters of proximal stopes (known as mining complexes), two notable opportunities that are developing at Madsen because mine design is both a technical and economic exercise.

The workflow that leads to detailed mine design at Madsen is as follows:

1. Each resource area is definition-drilled to a drill hole spacing averaging 7 meters.
2. The in-house, short-term model is updated to incorporate the new drill data.
3. Stopes are engineered based on the updated model to maximize economic extraction of mineralization, at an assumed gold price.

Gold mineralization at Madsen often comprises high-grade lenses surrounded by lower-grade mineralized halos. The above workflow is designed in part to define high-grade lenses of gold mineralization that can go unnoticed with wider-spaced data sets. Recent high-grade drill results from the South Austin area (see news releases from May 27, May13, and February 26) demonstrate this potential.

Definition drilling also enables accurate modelling of lower-grade halo mineralization ahead of stope design.

West Red Lake Gold is currently using the consensus long-term

price of US$2,350 per ounce ("oz.") in mine design, compared to a gold price of US$1,680 per oz. used for the mine plan in the Madsen Mine Pre-Feasibility Study ("PFS") [1].

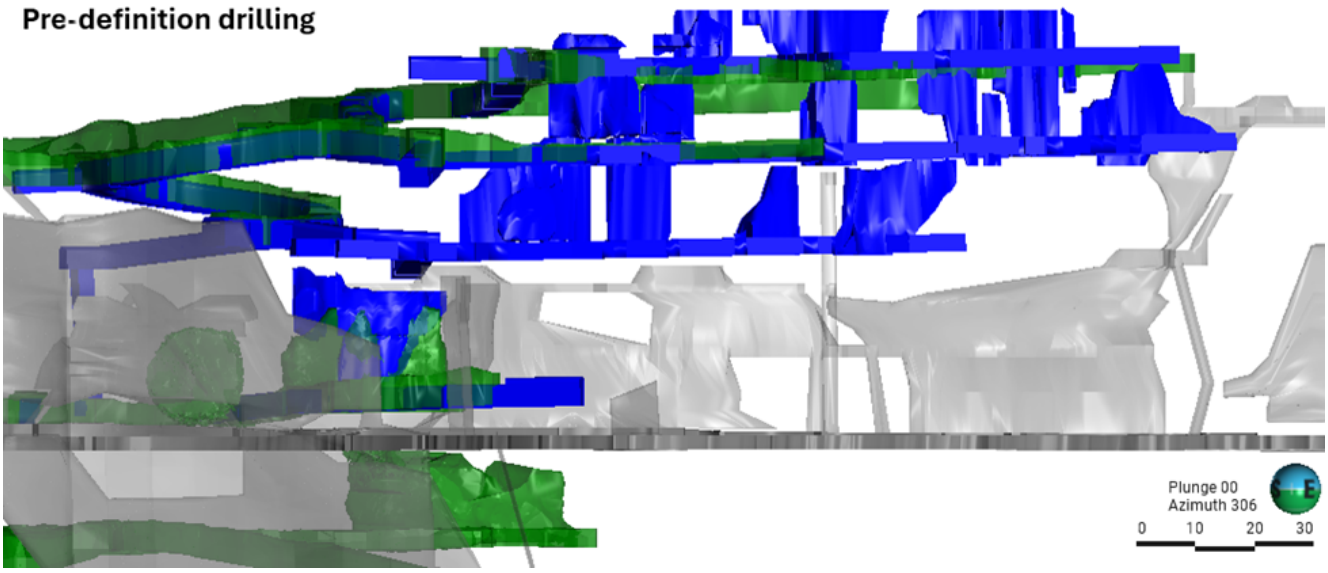
The relatively low gold price in the PFS led to a mine plan with 60% of the mining being small, high-grade stopes requiring the use of cut-and-fill mining, the more selective and higher cost of the two mining methods outlined for use at Madsen [1a]. In addition, the need to drive accesses between multiple small stopes contributed to relatively high sustaining capital needs over the mine life.

The PFS mine plan generated strong economics that supported the restart decision. However, using a higher gold price in stope design effectively lowers the cutoff grade for resource inclusion, bringing additional resource tonnes and more overall ounces into consideration for mine planning.

When lower grade tonnes prove to be economic, it can result in larger stopes encompassing one or several high-grade gold lenses with surrounding halo mineralization. It can also define new mining shapes around proximal areas of mineralization that were not previously considered. This is especially possible where definition drilling has defined or expanded high-grade lenses, which have the potential to mitigate the impact on head grade of including lower grade tonnes over the life of mine.

Image showing Austin 1099/1100 stope complex (blue).

This area realized a 204% increase in tonnage and 222% increase in contained ounces mainly driven by definition drilling.



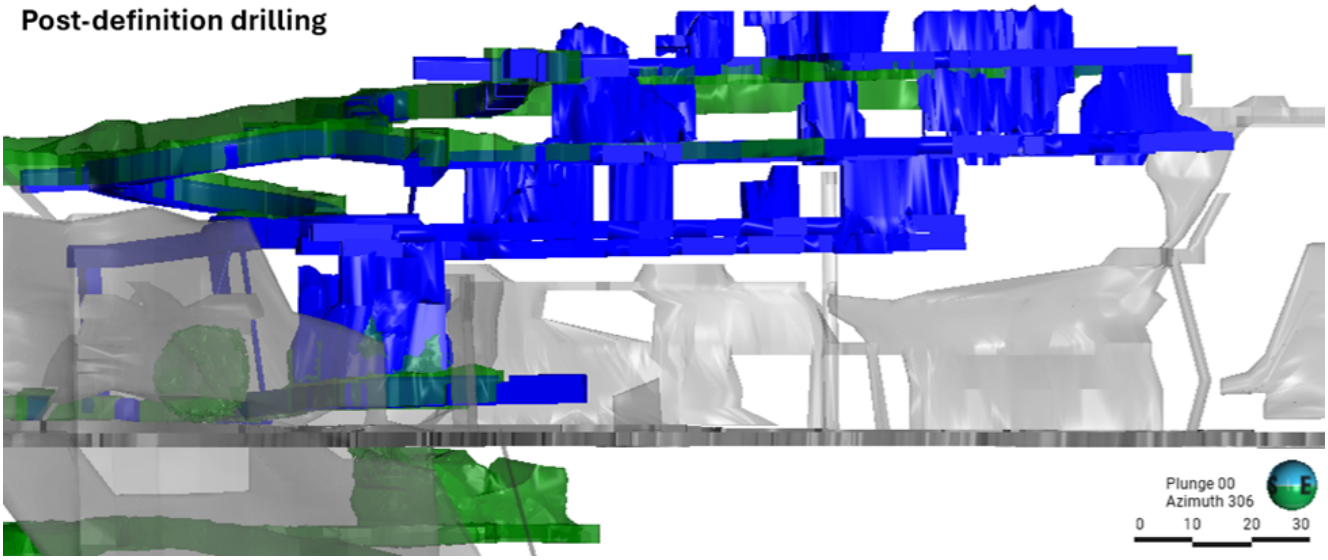


Image showing McVeigh 1453 stope complex (blue). This area realized a 32% increase in tonnage and 18% increase in contained ounces mainly driven by definition drilling.

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A more global potential benefit from mining larger stopes at Madsen is mining more of the resource.

A mine plan based on a gold price of US$1,680 per oz. depletes the deposit relatively quickly, which is evident in a PFS probable reserve of only 478,000 ounces in 1.87 million tonnes grading 8.2 g/t gold mined in 7 years [1c], from a deposit with a total indicated resource of 1.65 million ounces of gold hosted in 6.9 million tonnes of rock averaging 7.4 g/t gold (the combined indicated resource for the Austin, South Austin, McVeigh, and 8 Zones) [1d].

The Madsen Mine PFS described the potential for more of the resource to be considered for mining if a higher gold price was used [1e].

A gold price environment that allows mine design to convert more of the resource into reserve suggests a longer mine life than outlined in the PFS, which is expected to have a positive impact on long-term profitability and overall project economics.

Close reconciliation between expected and actual tonnes and grade in the bulk sample suggests that the Company’s approach – appropriate definition drilling, responsive mine

engineering, and disciplined, efficient mining – is creating the ability to mine at Madsen according to plan.

The mine engineering and design process is a technical and economic exercise that responds to the price of gold. This will remain the Company's practice at the Madsen Mine.

To read the full news release please click HERE

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