

Dufferin Gold Mine set to restart production in 2014

Sheet Harbour business could produce 25,000 ounces of gold per year

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Jean-Claude Morel says Ressources Appalaches will begin production of the mine in the spring. (CBC)

The Quebec company planning to restart the Dufferin gold mine at Sheet Harbour says the mine will begin production next spring.

Jean-Claude Morel, the executive vice-president of Ressources Appalaches says the company recently received its industrial permit from the Nova Scotia government. That will trigger the release of \$7.5 million in financing within a matter of days.

"We see ourselves within the next four to eight months reaching full production capacity generating revenues, employing close to 75 people and hopefully having a serious impact on the local economy," Morel said.

The Rimouski-based company plans to hire 54 people this winter, adding to the 20 employees already on site. Ressources Appalaches bought the mine in 2008. Since then, it has been refurbishing the mine and carrying out geological testing.

When in full production, the mine is expected to produce between 20,000 and 25,000 ounces of gold per year.

The company estimates its payroll at \$6 million per year.

"We have a potential revenue to the government of \$300,000 and we are still cash flow positive to re-invest in the company... there is a potential multi-million per year profit. There is that potential," Morel said.

Morel said profitability is tied to gold prices, currently trading at about \$1,244 US per ounce.