

Dormant Timmins mine project could get back on track

Gowest Gold reaches settlement with mine builder Cementation

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(Gowest Gold photo)

[Gowest Gold](#), a Timmins mine developer, has settled a legal squabble with mine contractor [Cementation Canada](#) that will allow a stalled gold project to inch toward production.

The gold company announced in a Jan. 23 news release that a settlement has been reached and Cementation's lien against Gowest's Bradshow gold project will likely soon be lifted.

Last July, [Cementation placed a lien on the advanced gold deposit](#), 32 kilometres north of Timmins, seeking payment of more than \$7.4 million.

Cementation was contracted in 2017 to carry out the portal and ramp development for the proposed underground mine and later extract a bulk sample.

According to the terms of the settlement, Gowest will pay Cementation \$5 million, of which \$500,000 has already been advanced to Cementation.

Further, the news release said, Cementation will assign and transfer the net receivable amount owed to it – more than \$6.8 million – to a third-party purchaser of the debt. Gowest is obligated to pay this purchaser the net receivable amount prior to March 31, 2026. At the option of this purchaser, the amount will be convertible into common shares of Gowest.

Once all the conditions of the settlement are met, Cementation's lien on the Bradshaw gold deposit will be discharged.

In a statement, Dan Gagnon, Gowest president-CEO, called the settlement "great news" for the company and shareholders.

"In settling this claim with Cementation, including the assignment of the outstanding debt on terms favourable to Gowest, the company is one more major step closer to being able to restart mining activities at its 100 per cent- owned Bradshaw Gold Deposit and enabling the company to continue to move towards production."

The deposit contains an indicated resource of 422,000 ounces grading 6.19 grams per tonne (g/t) and 755,000 ounces, grading 6.47 g/t on the inferred side.