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Dynasty eyes Jerusalem, Zaruma startup in 2yrs - Ecuador

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Vancouver-based Dynasty Metals & Mining (TSX-V: DMM) aims to start production by early-2008 at its Jerusalem and Zaruma gold projects in Ecuador, a company official told BNamericas.

"We are looking at between a year and a half and two years on Jerusalem and Zaruma," said corporate relations director Murray Oliver.

The company's newly completed preliminary assessment for Jerusalem calculated production of 834,251oz gold, 7.28Moz silver, 62,437t zinc and 18,927t lead over a mine life of some 8.5 years, split into two stages.

A preliminary assessment for Zaruma is due to wrap up in one month, while full feasibility studies for both projects are expected in three to four months, Oliver said.

"We approached [the assessments] like a pre-feasibility study to go straight through to bankable feasibility. We have already done the mine design, the mill design, we are doing the metallurgy," he added.

PROJECT FINANCING

Direct capital costs will reach some US\$25mn at each project, and likely will be financed through a combination of debt and equity. The idea is to start shopping for financing once the Zaruma preliminary study is complete.

"We have enough money in the bank right now to take both [projects] through to bankable feasibility. I think we will be looking at going to the market in, probably, the next two months," Oliver said.

"We want to get the Zaruma study out, which then hopefully people will understand what we have, and our stock price will react," he said, adding the company now has some 22 million shares trading at around Cdn\$3.50, valuing the company at some Cdn\$77mn (US\$66mn).

No synergies are contemplated between the two mines.

ECUADOR "VERY STABLE"

Dynasty is upbeat about Ecuador, a country that has seen its share of political unrest and opposition to mining activity.

"If you look at Ecuador as a whole, I think the country is going to be a star in the next one to three years," Oliver said. "Governments come and governments go, but the mining law is very North American. It is tied to the constitution, and we don't see any problems, at least compared to other similar South American countries."

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The company's projects lie exclusively in southern Ecuador and also include the Dynasty copper-gold-silver exploration prospect and the Copper Mountain copper-gold porphyry project.

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