

ABACUS Reports Resources for Afton-area Copper Project

by Ellsworth Dickson

Abacus Mining and Exploration Corp. [AME-TSXV] recently released resource estimates for its 100% owned mineral holdings in the area of the formerly producing Afton Mine near Kamloops, southern British Columbia.

• Doug Fulcher, president, said, "The tonnage and grade numbers are consistent with copper-gold porphyry deposits in BC. At a 0.20% copper cut-off grade, we now have over 75 million tonnes of indicated resources in the Rainbow and DM/Audra zones. Coupled with our summer drilling program, we expect to advance the project to the pre-feasibility stage by year end."

Using the 0.20% copper cut-off model, indicated resources total 47.1 million tonnes grading 0.345% copper and 0.084 grams gold/tonne, representing 358,301 lbs. of copper and 0.1272 million ounces of gold. Inferred resources in the Rainbow Zone stand at 3,000,000 tonnes grading 0.245% copper and 0.064 grams gold/tonne (16.207 million lbs. copper/0.0062 million ounces gold).

At the DM/Audra Zone, drill-indicated resources total 28.5 million tonnes grading 0.295% copper and 0.153 grams gold/tonne (185.385 million lbs. copper/0.1402 million ounces gold). Inferred resources in the DM/Audra Zone stand at 15.8 million tonnes grading 0.281% copper and 0.124 grams gold/tonne (97.898 million lbs. copper/0.0630 million ounces gold). The above figures are compliant with NI 43-101 resource reporting standards.

The resource models for the two mineralized zones are based on 35,000 metres of diamond drilling completed by Abacus as well as drilling completed by previous operators. Both the Rainbow and DM/Audra zones remain open along strike and



Mining analysts observe drilling operations at the DM/Audra/Crescent area of the Abacus Mining copper-gold project near Kamloops, BC. Photo courtesy Abacus Mining and Exploration Corp.


at depth. The objective of the summer drill program is to test the strike and depth potential of the zones. Adjacent to the west, New Gold Inc. [NGD-TSX], (formerly DRC Resources), has discovered a substantial copper-gold deposit beneath and beyond the old Afton open pit that grades higher with depth – an encouraging development for the Abacus drilling program. It is expected Abacus will advance the project to the pre-feasibility stage by year end.

In a related matter, Abacus has signed a letter of intent with Teck Cominco Ltd. [TEK.SV.B-TSX] for the purchase of Afton Operating Corporation's nearby milling and processing facilities, tailings storage areas, associated permits and other infrastructure at the Afton Mine.

In March 2005, Abacus received regulatory and shareholder approval to spinoff the 100% owned Niblack volcanogenic sulphide project into a new company, Niblack Mining Corp. Abacus shareholders maintained their shareholdings in Abacus and received one Niblack Mining share for every four shares of Abacus held. Located on Prince of Wales Island, southeast Alaska, Abacus has been working on the Niblack Project since 1995 and has spent over

\$10 million on exploration. A drill-indicated resource has been defined that stands at 2,780,000 tons grading 0.089 oz. gold/ton, 1.14 oz. silver/tonne 1.71% copper and 3.22% zinc.

Some very good drill intersections have been recorded. Hole LO-99 returned 0.31 oz. gold/ton, 7.43 oz. silver/ton, 1.31% copper and 7.28% zinc over 92 feet. There are numerous prospective areas on the property yet to be explored.


For this year and 2006, exploration plans at Niblack call for a 2,500-metre drilling program as well as underground development for a total cost of \$7 million. 

ENTRÉE GOLD Advances in Mongolia

Entrée Gold Inc. [ETG-TSXV; EGI-AMEX; EKA-Frankfurt] recently reported that Rio Tinto plc [RTP-NY; RIO.L-London] has acquired 9,306,921 shares of Entrée equal to a 9.7% equity position in Entrée, with the right to increase its share holdings to about 17.7%. Entrée Gold has been exploring its 100% owned Lookout Hill (Shivee Tolgoi) copper-gold project located in the South Gobi Desert of Mongolia. The 179,590-hectare property completely surrounds the 8,500-hectare Turquoise Hill (Oyu Tolgoi) land holdings of Ivanhoe Mines Ltd. [IVN-TSX, NY]. Ivanhoe, which can earn an 80% interest in 39,500 hectares (22%) of Entrée's ground by spending US \$35 million and financing Entrée's share of project costs, recently exercised its warrants and purchased securities to increase its holdings in Entrée to 10,435,489 shares, bringing its interest to 16.1% of Entrée Gold. The securities purchased by Rio Tinto and

Ivanhoe have put over \$22 million into Entrée's treasury.

The Entrée Gold land holdings cover the potential extension of Ivanhoe's huge copper-gold deposit. The Oyu Tolgoi deposit hosts an estimated resource of 32.85 billion lbs. of copper and 17.34 million ounces of gold, perhaps the highest grade copper porphyry ever discovered.

Drilling on the Entrée property has continued to return very encouraging results. Drill hole EGD006A in the Copper Flats area returned 3.24% copper and 0.82 grams gold/tonne (copper equivalent 3.77%) over 608 metres. This interval contained 322 metres averaging 4.59% copper and 1.07 grams gold/tonne (copper equivalent 5.29%). This hole is considered to be significant as Ivanhoe Mines announced in May that its step-out drilling has extended high-grade copper mineralization 450 metres into the Copper Flats region of Entrée's Lookout Hill property. 

drilling performed in September 2004. Patricia and Richmond had hoped to outline 500,000 tonnes averaging 8 grams gold per tonne, or 165,000 contained ounces, sufficient to support three years of production at the daily rate of 650 tonnes.

The estimate, which is compliant with National Instrument 43-101, points to an indicated resource of 272,000 tonnes averaging 12.3 grams gold per tonne, or 108,000 contained ounces. In calculating these figures, Roscoe Postle used a cutoff grade of 75 grams gold per tonne for high assays. There are also, at the same cutoff, 116,000 oz.

sections ranging from 1.1 to 2.9 metres, with hole 9 returning 2.9 metres of 50.34 grams gold.

An interim underground drilling program is now targeting areas below the resource and should be completed in January.

Richmont has 90 days in which to decide whether to bring the mine into production or spend \$10 million to acquire its interest in the property.

The Island deposit is one of several mineralized zones in the boundaries of the Island Gold project, which covers some 22.3 sq. km. The Kremzar, Lochalsh and Goudreau zones have additional

head grade of 4.7 grams gold. The deposit was mined to a depth of 240 metres, leaving 350,000 tonnes of reserves on the books.

In early 2002, inferred resources were pegged at 20.6 million tonnes grading 2.35 grams gold, or 1.6 million oz. gold, at a cutoff grade of 0.75 gram gold per tonne. The estimate, which is compliant with NI 43-101, includes the Lochalsh, North Shear and Centre zones over a 2-km segment in the southern portion of the property to an average depth of 250 metres. The Kremzar mine also has 181,944 tonnes grading 6.27 grams gold in

Abacus expands Afton project *NM-Nov. 26/04*

VANCOUVER — Halfway through a second phase of drilling at the Afton project in south-central British Columbia, **Abacus Mining & Exploration** (AME-V) continues to cut significant widths of copper-gold mineralization.

The company is testing continuity of mineralization at the northern end of the property, along a 5-km structural corridor encompassing the DM, Audra and Crescent zones.

Drilling along the western margin of the Audra zone encountered mineralization similar to that found in the adjacent DM zone, suggesting the two may be associated and part of the same system. Hole 17 intersected a broad breccia

zone that returned 98 metres (from 168 metres) grading 0.45% copper and 0.6 gram gold per tonne, including a higher-grade section of 33 metres grading 0.68% copper and 0.8 gram gold.

Abacus is examining the open-pit potential of a 2.5-km section of the DM-Audra-Crescent trend. The area is just east of the Afton pit, where **DRC Resources** (DRC-T) is preparing to carry out underground development. The Afton pit deposit has a measured and indicated resource of 68.7 million tonnes grading 1.68% copper-equivalent.

Copper mineralization in the DM, Audra and Crescent zones occurs as disseminations and in

fractures in the breccia zones. Also, zones of gold enrichment have been encountered in the core and appear to be related to a series of north-trending faults.

Abacus has completed half of its planned 15,000-metre drill program on the project.

The junior has 34.4 million shares outstanding, giving the company an \$11-million market capitalization at the current trading range of 30-35¢ per share.



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Firesteel buoyed by results

VANCOUVER — Drilling by **Firesteel Resources** (FTR-V) on the Copper Creek project in northwestern British Columbia continues to deliver wide intercepts of porphyry copper-gold mineralization.

The latest hole cut more than 52 metres (from surface) grading 0.8% copper and 0.73 gram gold per tonne, with the entire hole, 242 metres, grading 0.44%

enrichment in a supergene blanket.

The holes were drilled vertically about half-way through the enrichment blanket.

The drilling was designed to test the depth extent of the copper-gold mineralization at the DK (formerly Dick) prospect, where, earlier this year, chip sampling along a trench returned 0.37% copper and 0.23 gram gold over the entire 270

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COZAMIN'S Accomplishments and Objectives:

Completed Phase I Drill Program

- 7,500m (20 holes) produced 17 mineralized intercepts with a true width of 6.6m and a weighted average grade of 2.6% copper, 1.38% zinc, 91.25 g/t silver


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DM/Audra and Crescent Properties

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- **DM/Audra Drill Plan**

The DM, Audra and Crescent area is located in south-central British Columbia within 10 km of Kamloops and 2.5 kilometres north of the Rainbow claims. The property consists of 19 contiguous mineral claims (156 units), 16 Crown Granted mineral claims and 1 Minor total property size of approximately 1600 hectares (Fig.2).

From 1989-1990, the Afton Operating Corporation open pit mined 1.448 Mt of copper and gold from the Crescent deposit. The deposit is centered in and around a tabular body of Cherry Creek breccia. The intrusive breccia body straddles the northeast fault striking contact between Cherry Creek monzonites to the north and older Pothook diorites to the south.

The DM zone, like the Crescent area, is hosted by Cherry Creek rocks. The zone is bounded on the south by a strong northeast trending fault zone dipping steeply to the south. Rocks to the south of this fault are unmineralized intermediate diorites of the older Pothook unit. A large sub-parallel fault system on the north side of the zone also forms a control for breccia mineral emplacement. Northwest trending faults appear to displace both northeast structures and the ore zone itself.

A 26 line-kilometre grid has been established in preparation for a 3D-IP survey over the zone. The three zones of copper-gold mineralization lie along an east-west trending structural corridor that passes through the Afton deposit 2.0 kilometres to the west and the Big Onion deposit 2 km to the east. The zones, described as mineralized breccia pipes within the Cherry Creek phase of the Iron Mask batholith, occur within a strike length of 1.5 kilometres.

Results of the deep penetrating 3D-IP survey will be used to guide deeper drilling on the zones. Historical drilling in this area was generally restricted to depths less than 150 metres. 3-dimensional IP surveys completed over the Crescent, DM and Audra area indicate that all 3 zones may coalesce at depth, which highlights the importance of deep drilling in the area.