



NovaGold outlines Copper Canyon resource

IGURUBI INTERSECTIONS

African Eagle Resources plc completed a reverse-circulation drilling programme at its Igurubi gold property in Tanzania last month. The holes tested a 3-km stretch of a shear zone which has been the focus for artisanal gold mining. Drilling was designed to investigate some of the veins worked by the local miners, intersecting the following better results (based on 3-m composite sample intervals):

Hole	From (m)	Intercept (m)	Au (g/t)
IGRC-01	36	3	5.00
IGRC-03	48	3	4.02
IGRC-04	48	9	2.13
IGRC-05	60	3	8.31
IGRC-09	45	3	2.55
IGRC-11	60	3	7.21
IGRC-12	69	7	7.21

DWYKA-DE BEERS TALKS

Dwyka Diamonds Ltd and its 'black empowerment' partner, Kolong Investment Holdings Ltd, report that they have reached the final stage of negotiations with De Beers concerning a tailings retreatment project in Kimberley, South Africa.

NOVAGOLD Resources Ltd, earning an 80% interest in the Copper Canyon gold, silver and copper property in British Columbia from Eagle Plains Resources Ltd, has received a resource estimate for the property from Hatch Ltd.

The estimate uses data from recent drilling (*MJ*, October 29, 2004, p10) and a recently-developed geological model. Using a 0.5% copper-equivalent cut-off grade, inferred resources are estimated by Hatch at 116.1 Mt at 0.41% Cu, 0.64 g/t Au and 8.3 g/t Ag.

NovaGold says that drilling has outlined "a broad area of precious-metals-rich mineralisation at least 700 m x 400 m, which is open to expansion in all directions". Mineralisation begins at surface, extending up to 300 m in depth, occurring as a roughly 100 m-thick zone of disseminated chalcopyrite and pyrite hosted by an intrusive porphyry complex.

The new estimate adds to NovaGold's plans for the adjacent Galore Creek



Copper Canyon in British Columbia

property, where indicated resources are estimated at 285.9 Mt at 0.73% Cu, 0.44 g/t Au and 5.7 g/t Ag, and inferred resources are estimated at 98.8 Mt at 0.54% Cu, 0.37 g/t Au and 4.8 g/t Ag, using a 0.5% copper-equivalent cut-off grade. NovaGold is earning a 100% interest in Galore Creek from QIT-Fer et Titane Inc (part of the Rio Tinto group) and Hudson Bay Mining and Smelting Ltd (recently acquired from Anglo American plc by Ontzinc Ltd - *MJ*, December 23, 200, p12).

Copper Canyon lies about 5 km from the main Central zone at Galore Creek, and two further deposits in the vicinity are being examined with a view to generating a resource estimate.

A base-case scoping study of Galore

Creek by Hatch envisages a conventional open-pit mining operation producing 11 Mt/y. Such an operation would have the potential to produce 270,000 oz/y of gold, 1.8 Moz/y of silver and 91,000 t/y of copper over the first five years.

NovaGold believes the addition of the resources estimated at Copper Canyon supports the expansion of the Galore Creek project parameters beyond the base-case assumptions.

Hatch has been retained to complete a prefeasibility study of the expanded Galore Creek project, including an updated Central and Southwest deposit resource estimate for Galore Creek, the new Copper Canyon estimate, and also forthcoming resource estimates for the West Fork and Junction deposits.

Quadra's Magistral intent

QUADRA Mining Ltd has signed a letter of intent with Inca Pacific Resources Inc concerning the development of the Magistral copper-molybdenum project in Peru.

Quadra can earn a 50.1% interest in the project by completing a 'bankable' feasibility study for a minimum 15,000 t/d operation by September 30, 2006.

Quadra can then earn a 65% interest by arranging project financing by June 30, 2007.

Additionally, Quadra will pay Inca Pacific a total of US\$8 million in instalments related to project milestones, plus C\$1 million for 1 million shares in Inca.

Quadra was listed last year, raising C\$145 million to cover the purchase of the Robinson copper-gold mine in

Positive Jaguar study for Jabiru

JABIRU Metals Ltd has received a positive feasibility study for the development of its Jaguar copper project in Western Australia.

The study envisages an underground operation with access via a decline to the orebody 320 m below surface. The A\$40.6 million operation would produce 350,000 t/y of ore over a six-year life, and full production would be gradually achieved over an 18-month period. The mining reserve is estimated at 1.89 Mt at 6.92% Cu.

The company has received several offers for marketing the separate copper and zinc concentrate products from Jaguar.

Jabiru has begun negotiations with finance providers for debt financing for Jaguar, and anticipates concluding the talks during the June 2005 quarter,



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the increase to a remaining dollar but also cites higher costs for construction, concrete, structural steel, and labour.

Also, operating costs have climbed on higher power costs.

Still, the company is betting uranium prices will continue to rise and make the project more economic in the short term. "As time progresses, the uranium price is forecast to increase, and Honey-moon can be brought on-stream relatively quickly and in the context of the [current] large regional exploration opportunity," the

per cent U_3O_8 .

The 400-tonne-per-year plant is the maximum size that can be built, given the resources available on the mining lease, says Southern Cross CEO Mark Wheatley. "And higher uranium prices are needed to make this option attractive to shareholders."

The latest review pegged the cost of a 400-tonne-per-year plant at A\$44.1 million, with cash operating costs projected at A\$17.70 per lb. The mine life is estimated to be 6-8 years.

80 km to the northwest. Resources there total 1.7 million lbs. U_3O_8 , with an average grade thickness of 0.29 metre per cent U_3O_8 .

Based on positive exploration results, the company may consider building a 750-tonne-per-year plant at Honey-moon. In 2002, a cost and engineering study by Australian-based Ausenco pegged capital costs for such a plant at A\$48 million, with cash costs estimated at A\$11.80 per lb. The latest review boosts those figures to A\$56 million and A\$15 per lb.

An inferred mineral res-
Pebble was calculated ea-
year, showing 2.74 billion
grading 0.3 gram gold per
0.27% copper, and 0.015%
denium, or 0.55% copper-e-

The preliminary assess-
lines development by la-
open-pit methods in fou-
Anticipated processing of
would produce a flotation
sulphide concentrate with
silver values as well as a
molybdenum concentra-
recoveries are estimated a-
copper, 76% for gold and
60% for moly. A co-
pipeline would transport
to a tidewater port facility.

Total construction cap-
are pegged at US\$1 billion
first scenario and US\$1.5
the second. Operating cos-
mated at US\$5.06 and U
tonne of mill feed.

A financial analysis sho-
rates of return (IRRs) of
20.3%, with net pres-
(NPVs), discounted a
US\$1.05 billion and US\$
respectively, in the first
scenarios. These calcul-
based on metal values of
lb. copper, US\$395 per oz

From Page 1
metres. Highlighting thi-
hole 121, which cut thro-
(1.8 metres over a 2.7-
intercept) grading 12.7-
gold per tonne. Another
hit intercepts gradin-
grams gold over 0.3-1.5
nearby parallel struct-
significant gold, 10.2-
over 1.2 metres, adjacer
grading 7.15 grams gold

Twenty-three holes
between zones 7 and 8.
this drilling is one hole
metres grading 34.36
Ten other holes cut i

NovaGold upbeat on Copper Canyon

VANCOUVER — NovaGold Resources (NG-T) has intersected significant copper, gold and silver mineralization during an 8-hole, 2,700-metre drill program at the Galore Creek project in north-western British Columbia.

Drilling focused on the Copper Canyon zone, where mineralization is near to surface and open in all directions, as well as at depth.

Highlights include hole 22, which cut 73.5 metres (from 155.5 metres) grading 0.87% copper, plus 1 gram gold and 20.1 grams silver per tonne, including 46 metres of 1.14% copper, 1.44 grams gold and 23.6 grams silver, and hole 23, which returned 274.4 metres (from 44

metres) of 0.74% copper, 0.76 gram gold and 12.9 grams silver.

Significant high-grade zones are present in broadly disseminated zones of copper-gold-silver mineralization. An area of mineralization measuring 700 by 400 metres has been outlined so far.

NovaGold has engaged engineering firm Hatch to conduct an independent resource estimate on Copper Canyon. The study will review this year's drill results, as well as previous results.

Mineralization at Copper Canyon generally occurs as a 100-metre-thick zone of chalcopyrite and pyrite in a porphyry system.

NovaGold is earning up to an 80%

interest in Copper Canyon from Eagle Plains Resources (EPL-V). In return, the junior has agreed to spend \$3 million on exploration, issue 296,000 shares, pay \$1.25 million, and complete a feasibility study.

The company recently closed a \$20-million flow-through financing underwritten by Canaccord Capital and Salman Partners, as well as Dundee Securities. The offering was increased from its initial amount to 1.98 million flow-through shares priced \$10.10 per share. Funds will be used to develop Galore Creek.

NovaGold has 65.5 million shares outstanding and trades at \$8.50 per share.

Ho Gan gets positive prefeasibility

A prefeasibility study of the Ho Gan gold deposit in central Vietnam has concluded that small-scale production could be profitable.

Consulting firm Micon International, hired by 80%-owner Olympus Pacific Minerals (OYM-V), examined the possibility of mining from shallow open pits, starting at 500 tonnes per day and rising to 800 tonnes after seven months.

Ho Gan is one deposit on the Bong Mieu property, about 80 km

south of Da Nang. Olympus Pacific owns 80%, and two local companies, the remaining interest.

The operation has a low capital cost — only US\$4.5 million — and is estimated to have an internal rate of return of 86%, assuming a gold price of US\$400 per oz. The pits would produce just over 50,000 oz. gold over a mine life of 38 months.

Ho Gan has a measured and indicated resource of 1.1 million tonnes

grading 2.2 grams gold per tonne, which Micon modelled as a proven and probable reserve of 858,000 tonnes at 2.4 grams per tonne. The pit designs show stripping ratios near 1.

The proposed plant — a ball mill feeding gravity and flotation circuits, with concentrates from both going to a cyanide leach reactor — is expected to have a recovery rate around 81%. Cash costs were estimated at US\$188 per oz.; total costs, at US\$210.



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Eagle River

Hemlo Gold, Central Crude confirm grade and continuity of new zone

Page 6

Orion

American Barrick, Malartic Hygrade near completion of 6,000-ft. drift

Page 12

Grub

Testing of winter by

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October 1/90

Vol. 76 No. 30

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Holes confirm earlier results

Copper Canyon

Rhodes' results prompt trading

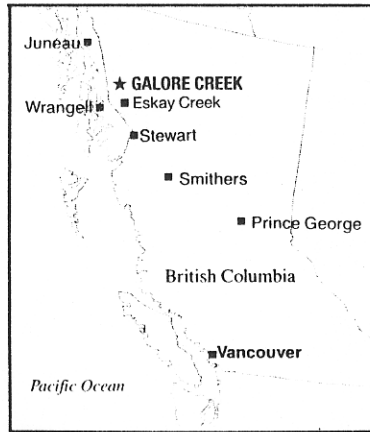
by Vivian Danielson

VANCOUVER — Assay results were released by **Consolidated Rhodes Resources** (VSE) from the first two holes drilled on the Copper Canyon project, in the remote Galore Creek camp of northwestern British Columbia.

The holes are the first completed on the property since 1957 when a limited program by a previous operator outlined a preliminary reserve estimate of about 29 million tons grading 0.7% copper, 0.30 oz. silver and 0.01 oz. gold per ton.

Consolidated Rhodes can earn a 50% interest in the project from **Canamax Resources** (TSE) by making cash payments totalling \$550,000, by spending \$5.9 million on exploration by the end of 1994 and by issuing 300,000 of its shares to Canamax by the end of 1991. As operator, Rhodes has contracted with Prime Equities to provide management and consulting services on its behalf.

The first hole of the 1990 program returned 197.8 ft. grading 0.018 oz. gold, 0.74 oz. silver and 1.14% copper from 8.8-206.6 ft. The second hole, which terminated in mineralization, returned 884.2



ft. grading 0.056 oz. gold, 0.65 oz. silver and 1.06% copper from 18-902.2 ft.

It was noted, however, that some holes in the 1990 program are being drilled to twin some of the 1957 holes "in order to gain a better understanding of the mineralization through improved core recoveries." The company said evaluation of the deposit in the 1957 drill program was severely hampered by poor core recoveries (only 15% in places). Recoveries in the 1990 program to date have been greater than 90%.

For example, hole 90-1 was

drilled to twin a 1957 hole which returned 0.96% copper, 0.38 oz. silver and 0.02 oz. gold from the upper 216 ft. of the hole. Hole 90-2 was a vertical hole drilled from the same site as 90-01 into a previously untested portion of the copper zone.

Several more holes are still awaited. In addition to the drilling, Rhodes is conducting a program of detailed geological mapping and prospecting. The company has also entered into negotiations to acquire additional claims along the southern boundary of the Copper Canyon property.

Results from the drill program at Copper Canyon accounted for a flurry of trading activity in an otherwise dismal market in Vancouver. At presstime the company's share price reached \$1.62 from a low of about \$1 the week before the drilling results were announced.

Some of the buying was generated by several junior companies controlled by Murray Pezim's Prime Equities. **Eurus Resource** (VSE) acquired 149,000 shares of Consolidated Rhodes at a cost of \$249,943 while **Adrian Resources**

See RHODES, Page 7

More good value as five drill rigs

Total drilling exploration at New World copper-gold-silver property in Montana of **Central Butte Resources** (TSE) and **Noranda Exploration** has reached more than 67,000 ft. in 168 holes, the companies report.

Drilling on the property continues in several areas with three core drills and two reverse circulation drills working 24 hours per day. Project manager **Noranda Exploration** is a unit of **Noranda** (TSE).

In the Miller Creek area, the deposit remains open to the north and east of the north end of the main deposit where the companies report encountering an unusually thick laterally continuous zone of mineralization.

On the southeast end of the main Miller Creek deposit, stepout holes 90-600 intercepted 25 ft. of 0.3 oz. gold per ton.

Among the latest results reported

Central Crude option deal at

A second option deal has demonstrated **Noranda's** (TSE) interest in the Moss Lake gold property 70 miles west of Thunder Bay, Ont., owned equally by **Storimin Exploration** (ASE) and **Tandem Resources** (ME).

Central Crude (TSE), a subsidiary owned by **Noranda** subsidiary **Hemlo Gold Mines** (TSE), has agreed to an additional option agreement with **Storimin** and **Tandem** giving **Crude** the right to earn up to a 60% interest in the property. Under that agreement calls for **Crude** to buy \$250,000 worth of **Storimin** stock and the same amount of

Agnico going underground at Vezza

The three partners in the Vezza gold project in Vezza, Cavellier and Noyon twps. in northwestern Quebec have announced their intention to proceed with an underground exploration program.

The deposit lies about 41 miles from the Joutel milling complex of **Agnico-Eagle Mines** (TSE), which

partment shaft sunk to a depth of 1,100 ft., with levels developed at 300, 650 and 1,000 ft.

Agnico says drifting on the 300- and 650-ft. levels will be within the mineralized area to confirm ore continuity, grade and mining characteristics and to provide a bulk sample.

depth of 1,800 ft. The deposit is open at depth.

A program of detailed definition drilling completed in March tested a 650-ft. strike length to a depth of 300 ft. Agnico says the work confirmed the grade and continuity of the mineralization but slightly decreased the amount of previously