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Tom Schroeter
MEG: "Moly in BC"
[Nov. 23/05]
→ Davidson

Molybdenum in British Columbia - So Much Potential

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Exploration in British Columbia for porphyry deposits during the 1960s and 1970s led to the discovery of numerous significant molybdenum-rich occurrences. A number of these were developed either as primary molybdenum operations, or as copper operations with co-product molybdenum. Examples of the former include Endako, Boss Mountain, Kitsault and Coxey. Examples of the latter include Brenda, Highland Valley Copper, Gibraltar, Island Copper and Huckleberry. The Endako mine has been in continuous operation since 1965. Provincial molybdenum production, primarily since 1965, has totaled approximately 320,300 tonnes.

The British Columbia Ministry of Energy, Mines and Petroleum Resources' MINFILE database lists 1350 molybdenum-bearing occurrences; in 430 of these, molybdenum is the primary commodity. Approximately sixty occurrences host potentially significant resources totaling 1.9 million tonnes molybdenum (pre-National Instrument 43-101 standards).

Some occurrences with higher-grade cores (e.g. Davidson and Max) have the potential to proceed to production relatively quickly and thereby capitalize on high molybdenum prices. With the lack of molybdenum exploration since the early 1980s, a new era has begun in British Columbia, which is targeting areas with regional geochemical anomalies and/or favourable geology. Much improved road access and a significant glacial retreat over the past twenty-five years are providing further opportunities for this new wave of exploration in the province.

Two molybdenum metallogenic episodes in British Columbia are recognized: 1) Early Cretaceous-Miocene: 140 Ma to 8 Ma; and 2) Late Triassic-Middle Jurassic: 220 Ma to 195 Ma. Both post-accretion and pre-accretion molybdenum-bearing calcalkaline occurrences occur in Wrangellia, Stikinia, Cache Creek and Quesnellia terranes. The low-fluorine type deposits, similar to Henderson, Colorado are the focus of the renewed exploration activities. In addition, potential exists for the discovery of deposits similar in age to the world's largest known molybdenum deposit, Quartz Hill (Alaska) within the Coast Crystalline Complex in British Columbia.

During 2005, over \$10 million in exploration expenditures were spent on over 40 projects in the search for primary molybdenum deposits. Some projects are now in the development stage; others have advanced to include a new resource base.

Rapidly expanding markets in China, India, south Asia and elsewhere, coupled with rising oil prices, could result in demand for additional development of British Columbia molybdenum resources.

[References: BC MEMPR Geofile 2005-23. <http://www.em.gov.bc.ca/Mining/Geosurv/>]

The Davidson Project, Smithers, B.C.

Ken Collison, Blue Pearl Mining, Vancouver

The Davidson molybdenum deposit (formerly known as the Yorke-Hardy deposit) is located 9 kilometers north-west of Smithers, B.C. Mineralization was first noted by the GSC in 1944, and in 1957 William Yorke-Hardy staked the first claims. The deposit was delineated through extensive drilling programs and underground development between 1957 and 1980 by Amax and Climax. Blue Pearl Mining (BPM) acquired 100% control of the deposit in April 2005 and renamed the deposit to recognize the outstanding work done by Don Davidson, a geologist who has worked on the project since 1965.

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The deposit was outlined by a total of 165 drill holes (57,780 meters) and 3,100 meters of underground workings. A resource estimate in accordance with the definitions and requirements of National Instrument 43 - 101 was completed by Giroux Consultants Ltd. in 2005 with the following results.

Measured & Indicated Resources

Tonnes (Mn)	MoS ₂ Grade (%)	WO ₃ Grade (%)	MoS ₂ Lbs (Mn)	WO ₃ Lbs (Mn)	Cut-Off Grade (% MoS ₂)
75.28	0.295%	0.035%	489.58	58.07	0.20%
23.08	0.424%	0.037%	215.82	18.82	0.30%

The project is in the permitting phase and a feasibility study is being prepared. BPM is proposing an underground mine at a production rate of 2,000 tonnes per day. As the ground appears to be very competent, efficient bulk mining techniques are planned. The proposal does not include a mill, so ore will be trucked to an off-site processing facility. The current schedule shows permits being issued in November, 2006, followed by mine development.

750 workers
 Min. 10% first
 Nations
 - on schedule
 Prod. - mid-late
 2007

Permits - Nov. 06

**MAX Molybdenum Project-BC's Next Metal Mine.
 Scott Broughton, Roca Mines Inc.**

The MAX Molybdenum Project, located 60km south of Revelstoke, was awarded a mining permit from the BC Ministry of Energy, Mines and Petroleum Resources in November 2005 paving the way for development of an underground mine and onsite concentrator.

Roca's wholly owned unit FortyTwo Metals Inc is currently developing the project, initially focused on a 500tpd operation, producing a premium specification molybdenite concentrate from mine diluted grades of approximately 1.95% MoS₂. Future expansion of the initial high grade mine will be defined by prevailing molybdenum prices in 2007.

While the focus of the project has been to rapidly attain production by Q3 2006 and minimize capital risk, the exploration potential of MAX at depth has yet to be tested. Comparisons between the MAX and the Urad deposit above the massive Henderson mine remains an exploration focus for the Company.

Prod. Target
 Q3 2006

500 tpd → 750 tpd
 only equip
 could find
 Cap Cost ~ US\$15M

Conc. buyers
 to buy con
 at mine site

Const. initiate
 in 3 mos.