



mining stocks to watch

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TGS → TIDE

Serengeti Resources Inc. / Rimfire Minerals Corp.

Serengeti/Rimfire Gear Up for Tide Project

by Douglas Hadfield

→ KWANIKA

Serengeti Resources Inc. [SIR-TSXV] and Rimfire Minerals Corp. [RFM-TSXV] have breathed new life into their Tide property, a joint venture in the Skeena Mining District of northern BC, with recent exploration results suggesting two styles of gold mineralization. The region is rich in vein stockworks, with the neighbouring East Gold Mine having produced a small tonnage of ore averaging a whopping 1,126 grams gold/tonne from 1926 to 1965. The East Gold Mine is surrounded on three sides by the Tide property. On the last day of the exploration program last year, Lady Luck smiled with the discovery a new vein prospect called the 52 Zone grading up to 593 grams gold/tonne and 14,708 grams silver/tonne from a 0.5-metre wide outcropping vein.

Elsewhere on the Tide property, the 36 Zone follows the bulk tonnage model, with grades from a single drill hole in 2004 averaging 1.0 grams gold/tonne over 129.4 metres, including 39.6 metres of 1.92 grams/tonne. Based on these encouraging results, preliminary metallurgical tests were undertaken on core samples from the 36 Zone. These tests indicate favourable gold recoveries averaging 80% and efficient gold liberation with most of the gold recovered in less than two hours of leaching.

The Tide Property covers the eastern and southern slopes of Tide Mountain, 36 km north of Stewart and is accessible via the Granduc Mine Road. The 36 Zone was first discovered by Hemlo Gold in 1996, when 18 samples from a 150 by 230-metre area exceeded 1 gram gold/tonne, but it wasn't until the 2004 drilling that the full potential of the zone was recognized.

Rimfire purchased the rights to the property from Newmont Canada, which had acquired Hemlo through a merger. In 2003, Serengeti optioned a 51% interest from Rimfire. Serengeti's Tide discoveries were made at the end of the 2004 exploration campaign, which was preceded by the appointment of David Moore as president/CEO. Moore brought with him a few key players of Teck Cominco lineage, including geologist Myron Osatenko and director George Tikkanen.

Moore says he was impressed with the Tide property when he started with Serengeti, but he and Osatenko had also spent time researching and prospecting the Quesnel Trough. They developed a portfolio of properties, which they brought with them to Serengeti Resources.

"The Quesnel Trough is, in our view, the most favourable belt in BC for copper-gold opportunities," he says. Now the company has 10 primarily early stage properties along the Quesnel Trough, including the Kwanika property. Previous work at Kwanika between 1966 and 1972 identified a (pre-43-101) resource of 36 million tonnes grading 0.20% copper, based on 12 drill hole intersections over an area 490 by 300 metres. Gold was not analyzed for in this drilling, but a previous operator later analyzed 38 surface rock samples for gold, which averaged 0.15 grams gold/tonne from outcrops within the copper resource area.

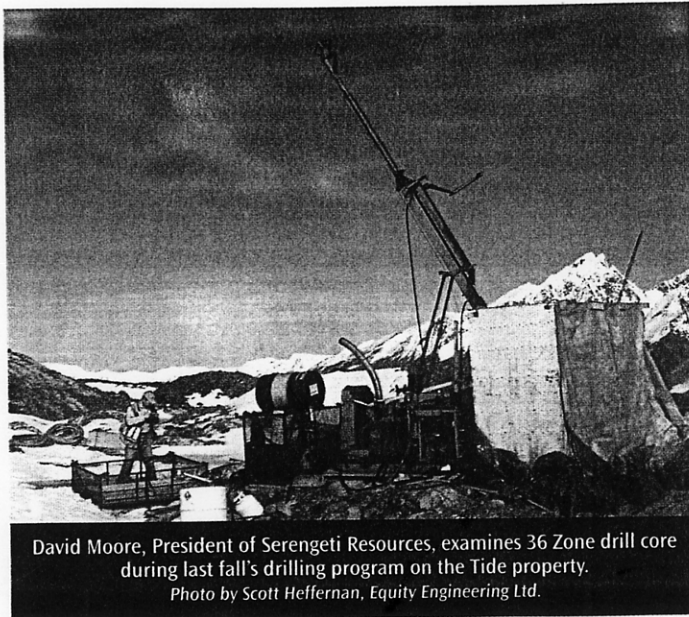
This summer, Moore says the company plans a "modest drilling program" at Kwanika to verify the previous copper findings and to determine the gold content of this alkaline copper-gold system.

Owing to budget constraints that typify junior resource companies, Serengeti has had to be selective in determining which projects to develop first. Exploration programs are scheduled this summer at some of the company's more promising holdings in the Quesnel Trough, including at Kwanika and at the Bloom property, located at the north end of the Trough, 80 km south of the Kemess Mine.

The bulk of Serengeti's exploration activity this year, however, will concentrate on the flagship Tide property. The company completed an airborne geophysical survey of the property in early May to identify drill targets – results are pending. The company plans to have a field crew and a drill mobilized by late June for a 1,000-metre drill program in July, with possible follow-up drilling in the later summer months.

Under new management, Serengeti appears to have had a renaissance of good fortune. Then again, Moore is a decorated veteran: he was at the helm of Teck Cominco's Red Dog Mine as it was brought from exploration stage to mine readiness in the early 1980s. Now Red Dog is the largest producer of zinc concentrate in the world. When I asked Moore if he envisions Serengeti taking a similar route, he said, "Well, it would be nice to be a part of something that exciting again." ☞

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David Moore, President of Serengeti Resources, examines 36 Zone drill core during last fall's drilling program on the Tide property.
Photo by Scott Heffernan, Equity Engineering Ltd.