

EXPLORATION

Placer Expands Iskut River Holdings

Placer Dome Inc. has reached agreement with Newhawk Gold Mines Ltd for the acquisition of a 100% interest in the Sulphide claims of the Sulphurets mineral property for \$C7.2 million. These claims adjoin Placer's Kerr copper-gold property in the Iskut River region of northwestern British Columbia.

Newhawk currently owns a 60% interest in the property. Under the terms of a separate agreement, it has the right to acquire the 40% interest held by Granduc Mines Ltd, enabling it to sell the full 100% interest to Placer. Closing of the transaction is scheduled for mid-January.

The Sulphurets copper-gold property is a medium stage exploration venture and Placer is planning an aggressive work programme for this year. At the adjacent Kerr property, acquired in 1990 for \$C12 million, diamond drilling has confirmed the presence of 126 Mt of material grading 0.62% copper and 0.3 g/t gold.

Noranda Minerals: Staff/Budget Cuts

Noranda Minerals Inc. has announced that it will cut its exploration spending by 25% and its mineral exploration staff by 50% this year. The company said the cuts are due to poor commodity prices and a weak economy. Noranda Exploration Co., which conducts exploration for most of Noranda Minerals' companies, will trim its exploration budget to \$C107.3 million from \$C143.5 million in 1991. Exploration jobs will be cut to about 250 from 500 and three exploration offices in Canada and the U.S. will be shut.

Further Potential At Haile

Piedmont Mining Co. Inc. has announced the results of a preliminary feasibility study for its Haile property near Kershaw, South Carolina, prepared by Amax Gold Inc. The mineral inventory, amenable to open-pit mining methods, has been estimated at 7.7 Mt of ore averaging 2.7 g/t gold. The cut-off grade used is about 0.8 g/t, and the stripping ratio is estimated at 4.3:1. The study was based on a facility processing about 3,600-4,500 t/d producing roughly 100,000 oz/y. Production costs have been estimated at \$100/t.

During 1991, Amax Gold drilled 143 holes averaging 178 m in depth and

increased mineable ounces by about 130%. The company has completed the required preliminary feasibility study for the Haile property four months ahead of schedule, but believes that considerably more exploration drilling needs to be done.

In late November, one solitary hole intersected 45 m of mineralization averaging 3.3 g/t gold about 60 m below the surface. This hole is only about 150 m from the design limits of one of the proposed pits. Another hole drilled in the parking lot by the mine office intersected 24 m averaging 10.6 g/t about 130 m beneath the recovery plant.

Greenland Find For Platinova/RTZ

Zinc mineralization has been discovered on a property in west Greenland under a joint venture agreement between Platinova A/S and RTZ Exploration Ltd (*MJ*, July 12, 1991, p.20). The mineralization is exposed in a gossan zone which occurs as a stratiform layer in elastic sedimentary rocks located about 30 km north of the Black Angel mine. The gossan, which dips 60° to the east, is continuously exposed over a width of 15 m and has a strike length of 1 km in the discovery area. Similar oxidized material is intermittently exposed for a further 15 km along the same stratigraphic horizon.

An exploration programme for this year is being formulated by RTZ. Platinova will retain a 35% interest in the project after RTZ has spent DK2.5 million.

Nigerian/Czech Joint Venture

Nigeria is to set up a \$60 million joint venture with Czech and Slovak companies to extract titanium dioxide from limestone deposits in the country, according to the NAN news agency. The expected output will be 20,000 t/y of TiO₂, to be used in Nigerian paint plants. This production will enable the country to stop all imports, which currently are worth \$30 million annually.

La Camorra Reverts To Monarch

Cyprus Minerals has advised Monarch Resources Ltd that it has decided not to participate further in the joint venture to develop a gold mine at La Camorra in Venezuela (*MJ*, September 27, 1991, p.225). Based on the feasibility study carried out by Kilborn Management Services, the project's rate of return does not satisfy Cyprus's corporate requirements. Under the terms of the joint venture, Cyprus would have had to fund the first \$15 million of development expenditure.

According to the study, La Camorra has a 39% rate of return and a 1.5 year payback. The accuracy of the study is ±10% with respect to the capital cost estimate. The study assumed a mill throughput of 135,000 t/y, pre-production development capital of about \$26 million including contingency (over a 17-month development period) and a gold price of \$350/oz. The mineable reserves amount to 571,000 t averaging 20.9 g/t gold, resulting in an initial mine life of 4.3 years. Total gold production over the life of the known reserves was estimated at 353,000 oz, with a mine life average operating cash cost of \$114/oz.

La Camorra is not yet fully explored, in respect of both down-plunge extension and parallel shear zones. The agreement with Cyprus had covered the 500 ha La Camorra project as well as Canaima (500 ha) and La Nina (7,000 ha).

Monarch's share price fell sharply on the announcement by Cyprus, dropping below £1.00 compared with over £1.30/share at the start of December. However, Monarch's chairman Michael Beckett remains confident that La Camorra is viable. Indeed, he believes that Monarch can develop the project at a substantial discount to the costs contained in the feasibility study, and he welcomes the opportunity to be in 100% control of the operation.

Work Starts On Asia Pacific Project

Starmin Mining Inc. and Adonos Resources Inc. have started bulk sampling and other work on the 2,845 ha Asia Pacific project (Hinobaab area) on the island of Negros, Philippines (*MJ*, August 16, p.116). The joint venture will be operated by a jointly owned Philippines company, Selenga Mining Corp.

The current programme has several major aims. Firstly the partners will try to determine the tonnage contained in the near surface copper oxide zone, the grade of acid soluble copper and the precious metals content. A bulk sample will be subjected to acid leach-electrowinning tests to see if this method could treat the oxide cap as a stand-alone project. A second aim will be to verify and expand the sulphide resource (about 85 Mt grading 0.45% Cu and 1.4 g/t Au); and thirdly the remainder of the property will be explored.

Discussions are currently underway regarding the off-balance-sheet financing of the entire project.

Buffalo Valley Partners For Horizon

Horizon Gold Corp. has signed a letter of intent with Battle Mountain Exploration Co. and Santa Fe Pacific Mining whereby they will fund exploration on Horizon's Buffalo Valley property in Nevada. In order to earn an 80% interest in the project, they must either pay some \$750,000

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