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Altius raises stakes on Rambler

Deal could raise \$18 million for historic copper, gold area

By Craig Westcott
 (with files from Coretta Stacey)
 Transcontinental Community Newspapers

Take a company with a crack exploration team and a knack for finding opportunities and team it up with two guys with a proven track record of breathing new life into old mineral belts and what do you get?

In the case of Altius Minerals and Harry Dobson and Brian Hinchcliffe, you get Rambler Mines Limited.

Altius is Newfoundland and Labrador's leading junior exploration company, with a Voisey's Bay royalty about to infuse its coffers and a stable of base metals, nickel, gold and uranium projects.

Mr. Dobson and Mr. Hinchcliffe are two of the principals behind Kirkland Lake Gold Inc., the company that consolidated a bunch of old showings and "spent" deposits in Northern Ontario and turned the area into a mining camp again.

Now Mr. Dobson, Mr. Hinchcliffe and Altius president Brian Dalton are hoping to do something similar at Rambler.

Mostly dormant for the past two decades, Rambler was once a prolific copper producer. The last mine there, Ming Minerals, closed



It may have been a stormy day on Saturday, with sloppy snow falling most of the day but it was a great day to build a snow sculpture to enter the snow sculpturing contest run by the fund raising committee at Middle Arm this week. Annual Carnival Week is Feb. 28-March 5. "The snow is great for it today," said Pam, mother of four-year-old Aaron Bowers. "It's a lot of hard work though, and I've been out here for hours." The end result was Clifford the Big Red Dog, and Aaron was impressed with his new "pet" snow sculpture. Bobby Hull photo



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after the company operating it ran out of land — it was unable to acquire the neighboring property, which looked to contain a continuation of a mineralized zone of copper and gold.

Altius snapped up the asset once the area was consolidated in 2001.

Since then, Altius has been drilling, finding encouraging results, and quietly developing a plan with Mr. Dobson and Mr. Hinchcliffe to systematically explore the region to see if Rambler is worth reviving.

The plan includes creating a new company, the aforementioned Rambler Mines Limited, listing it on the AIM market of the London Stock Exchange and raising \$18-million. Altius will own about one third of the company and will manage the initial exploration program.

“It’s a chunk of change,” said an exuberant Chad Wells, who is not only in charge of investor relations at Altius, but also hails from Springdale which over the years has been a service center for mining and exploration activities on the Baie Verte peninsula. He well appreciates what this latest development could mean for the region.

“This is a bit personal for me,” Mr. Wells allowed. “I’m really happy to be able to come out with this great news and deliver it to the Baie Verte peninsula, because the foundation of their town is based on a mining heritage. And to be able to deliver a little bit more hope. We’re not delivering the goods yet, but this is probably going to be one of the biggest exploration programs in the province this year. And the fact that we can do it and spend this money and hopefully deliver some results — boy, it’s a good feeling.

“There’s a lot of local expertise that can participate in this project. And that’s a huge advantage for us. I see it being a win-win situation for both the community and for ourselves.”

Mr. Wells noted that this could mean a lot for the area, as they will not only be relying on the expertise but will be doing a lot of their spending locally.

“This will be a very big boost for the area. We will be coming into town with a budget of upwards to \$20 million. We will be looking within the Emerald Zone for most of what we need, and there are spin-offs.”

The company expects to be in the area 6 to 12 months, as the program they have highlighted is an extensive one. The results from this will determine whether they are there for the long run, he

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said.

“That’s a lot of money,” Wells said. “And that’s one thing Rambler has never had. We’re going to have a pot of money where we’re going to be able to go out and do real systematic, geological, economical evaluation of the known potential ore bodies as well as more exploration. And I think that gives the project a better chance.”

The deal is a long time coming and involves a bit of serendipity. By chance at last year’s PDAC show in Toronto, Altius Minerals’ booth was located directly across from the one for Kirkland Lake Gold. Mr. Dalton and Mr. Dobson got to talking and before long started working on the details of tackling Rambler in a concerted way.

“These guys know their stuff,” Mr. Wells said referring to Mr. Dobson and Mr. Hinchcliffe.

“I don’t want to build (false) expectations, but I think what’s great about this here is the marrying of two very comparable groups. We’re a good exploration group, but we don’t know very much about mining. Mr. Dobson and Mr. Hinchcliffe, they know mining inside and out. So the two groups coming together with the ability to source a very significant amount of capital in the European marketplace, it just bodes really well for Rambler in really getting its first chance of a systematic evaluation in several decades.

“It’s something that I can see really turning into something more quickly than what is typically the case because of its historical nature and because of the people who we are getting involved with here. Now obviously, it’s like anything. It’s going to be very results-dependent. But if what we’ve done to date — the four holes that we drilled before the guys (Mr. Dobson and Mr. Hinchcliffe) came in is any indication of what to expect, it looks pretty favourable.”

But copper isn’t the only prospective mineral at Rambler. There’s also gold. Stories abound about samples of leafy, visible gold having been discovered throughout the four zones that were mined previously. In fact, a company was formed in the late 1980s with the idea of processing Rambler’s tailings to extract gold. It foundered because of technical and other problems.

Mr. Wells said copper is still the primary objective at Rambler. But the comprehensive exploration plan being devised will allow the new company to evaluate the area’s gold potential.

More than 20,000 metres of diamond drilling is planned for the area. There’s speculation the new company may opt to de-water the old mines and drill underground.

Mr. Wells said that is not in the cards right now. But he didn't rule it out entirely.

“As you can imagine, a lot of these holes that we're going to be drilling are going to be 1,000-metre holes, so they're going to be very deep, they're expensive holes to drill. Depending on the success of phase one, it might actually be a money saving measure to pump out some of these workings and utilize the workings themselves as exploration avenues to get closer to what you're drilling,” he conceded. “Now again, I don't want to say that is what we're doing, because it's not. It's all results-dependent.”