

Beeline for Botwood 5/17/02

By MOIRA BAIRD, The Telegram

The wooded bogs south of Gander will be alive this summer with the sound of gold prospectors.

About 15 companies and individual prospectors are looking for gold in the Botwood Basin, a 4,000-square-kilometre chunk of land that has been likened to Nevada's gold-laden Carlin trend.

Since 1962, that 64-kilometre swath of land in Nevada has spawned 20 mines and 50 million ounces of gold, and plenty of profits for companies like Canadian mining giant Barrick Gold Corp.

So, when St. John's-based Altius Minerals Corp. paired up with Barrick in December to hunt for gold in central Newfoundland, others took notice.

"Barrick needs things to be fairly big for them to get involved. What they look for is gold districts," said Brian Dalton, president of Altius. "Barrick's entry is a milestone."

Mining giant

The third largest gold-mining company in the world, Barrick doesn't usually get involved in early exploration projects.

"Normally, they wait for people like us to find something and then they buy it," said Dave Barbour, senior geologist with Altius.

The December deal touched off a claims-staking rush in the Botwood Basin, which is known in mining circles as an "area play."

More than 11,000 claims have been staked there this year — almost two-thirds of them since March. Those claims alone will mean about \$2.2 million in exploration spending.

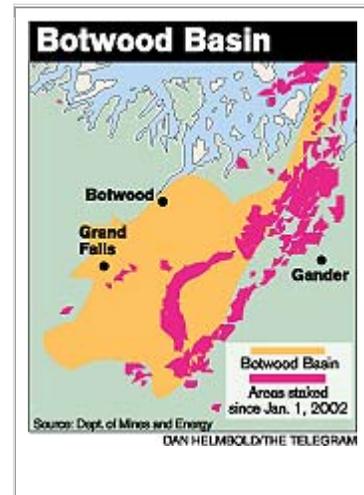
Led by Newfoundland-based junior mining companies like Altius, the Botwood Basin has also attracted international companies with no previous interest in Newfoundland.

Moydow Mines International Inc. is an Irish company known for its gold properties in Africa, while Candente Resource Corp. is a British Columbia company with a gold mine in Peru.

"A big part of this story is that gold prices have moved up. That's a big factor in the ability to raise capital," said Dalton.

Those prices have leaped from the \$240-\$250 US per ounce range six months ago to \$310 per ounce as of Thursday.

Dalton said Altius has turned down millions of dollars in potential investment since Barrick got involved and agreed to fund all costs.



Altius owns two properties on opposite sides of the Botwood Basin.

The 100-kilometre stretch of land containing the Carlin-like formation is called the Mustang property.

Pre-drilling work begins there this summer.

The other gold property is called Moosehead. Drilling there began in March and continues next week.

Both properties are geologically different.

Mustang is a larger deposit that could be mined using an open pit, while Moosehead contains a higher-grade quartz vein that would be exploited with an underground mine.

It was the Altius booth at a Toronto mining conference — complete with rock samples from the Mustang property — that got Moydow Mines interested in Newfoundland.

“We saw enough from the people from Newfoundland who already had a presence there. We thought there was still some additional ground worth taking a look at,” said Joe Breen, chief operating officer of Moydow.

He’s not averse to a little hyperbole, and says Moydow is “presently in the embryonic throes of future greatness.”

Breen and two other company officials are in the province this week to take a look at the property Moydow staked in the Botwood Basin more than a month ago.

It’s the company’s first real venture outside Africa, where it operates one gold mine and has another coming on stream.

Breen hopes for a Carlin-style formation.

Not Nevada

“Newfoundland doesn’t have the track record of Nevada, but there are enough signs to indicate to me that it could be that. But it wouldn’t be the first time I’ve been wrong about these things,” he said.

This summer, Moydow begins work on its property.

“That means basically taking lots of samples of the soil and of the rocks, sending them off to laboratories, and bouncing all kinds of electrical signals into the ground and combining those three results. If the prospects look good, we’ll bring in a drill to test the anomalies,” said Breen.

It will be crowded in the Botwood Basin this summer.

In April, Candente Resource Corp. optioned the property next door to

Altius on the northeastern side of the basin. It’s the first move outside Peru for the Vancouver-based company that explores for gold and copper.

Although Candente had no immediate plans to move into Newfoundland, company president Joanne Freeze says the gold potential couldn’t be ignored.

"It's all been very exciting, what we're finding in Newfoundland," she said.

"We have 10 gold showings ... and we are acquiring more ground in the area."

In January, a Candente director and retired Barrick employee attended a Vancouver mining conference where he saw a display of rocks from central Newfoundland.

"He said this really looks like another Carlin trend ... I think we need to have a piece of it," Freeze said.

She noted Larry Kornze, who had worked for Barrick in Nevada, studied the Botwood Basin area and convinced her of its potential.

Freeze says the company has teamed up with local prospectors.

The first phase of work — which includes geological mapping, sampling, prospecting and lining up drill targets — could be completed by the end of the summer.

If all goes well, Freeze says the company could be ready to drill before Christmas.

"It just depends on our results," she said. "On the other hand, there's lots of majors sniffing around the area, so things could get speeded up quite quickly."