

'Still a long way from anything'

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TINY MINES

But even the low-value numbers are not discouraging for Froude. The area being drilled now is only about 500 m, but as he emphasizes, gold exploration and mining can be a process of metres.

"You can hide a lot of gold in a 25-m-square area," Froude points out. "One mine in Ontario is just 30 m, with several million ounces of gold. That's why we have to be careful; you can miss something completely."

Crosshair will take its recent data and define additional drill targets for phase two, which includes an expanded area of reconnaissance. That data included soil sampling 250 metres northeast and southwest of the existing site, which is about 10 kilometres from the community of Wings Point.

Froude says there has been much natural curiosity from local residents about the work that has been going on.

"Newfoundlanders are very curious, especially if they think it's something that has the possibility of significance, and there would be real jobs."

Mining exploration, however, usually involves a 10-phase process that spans a number of years, that is if each phase shows positive results for moving on to the next phase. So, it could be a long while before there is any significant

mining in Gander Bay, if at all.

"It's still very early," Froude says. "Geology in exploration is a science. These are good results, but we're still a long way from anything. The average is seven to 10 years from discovery to production."

Meanwhile, internal business and external factors can also weigh heavy on a project's viability, including market prices.

"It depends on raising cash, and even with a small company like us, we're prone to slight fluctuations (in the price of gold)," says Froude.

Activity in the area actually started in the mid-'80s when another company explored it. It abandoned the project when the price of gold dropped. Two years ago, two local residents made surface discoveries of gold and took their claims to Rubicon Minerals, which signed an option agreement with Crosshair. Crosshair began its test drills in May.

The area is considered to be a challenge for reconnaissance because it's completely covered by overburden, so all exposures have to be excavated with heavy machinery. In other words, there are no outcrops of rock with visible gold.

A critical phase will be the co-called "third-dimension drilling" which goes much deeper into the ground.

The Gander Beacon

Altius and Fronteer begin Labrador field program

Altius Minerals and Fronteer Development Group have completed a 12,800-line-kilometre airborne magnetic and radiometric survey on their properties in the Central mineral belt of Labrador.

Claim staking prior to the airborne survey added more properties to the land position, which now covers approximately 782 square kilometres, and includes dozens of uranium and copper-gold occurrences, as well as three uranium deposits.

The survey highlighted the geophysical signatures of the historic uranium deposits in the area and revealed radiometric anomalies that may reflect outcropping uranium mineralization as well as geophysical anomalies that bear resemblance to Olympic Dam-style copper-gold-uranium targets.

Earlier this month, Fronteer and Altius started a four- to six-week field program to follow up on the new geophysical targets. Reconnaissance scale sampling and mapping, carried out last season, confirmed the high-grade uranium enrichment of the properties and highlighted, for the first time, the underlying copper-gold-silver potential of the region.

For example, assays from different outcrop grab samples range up to maximum values of 5.06 per cent copper, 2.35 grams per tonne gold and 457 grams per tonne silver.

At the Post Hill prospect, an outcrop sample from a regional scale shear zone, assayed 1.51 per cent uranium oxide, 1.31 per cent copper, 58 grams per tonne silver and 0.42 gram per tonne gold. A sample of subcropping, sheared and mineralized felsic volcanoclastic rock from the Emben property prospect area assayed 2.91 per cent uranium oxide. And a sample from a 1,200-metre-long uranium-rich boulder field taken by Fronteer and Altius during the 2003 field season assayed 28.20 per cent uranium oxide. Previous workers reported that 10 boulder samples from this area returned an average assay of 11.53 per cent uranium oxide, with values between 2.25 per cent and 18.08 per cent uranium oxide.

The Michelin uranium deposit is the largest of the three known deposits and was subject to partial underground development.

There are also indications of potential higher-grade zones within the deposits. At the western end of the Michelin deposit, intersected veins of uraninite reportedly assayed up to 40 per cent uranium oxide. At the Nash deposit, re-sampling of archived drill core returned up to 1.83 per cent uranium oxide over one metre.

The results of the airborne survey and the field program are being used to define targets warranting drill testing.