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EASTFORD LAKE PROPERTY, ONTARIO
- 70 km northeast of the City of Timmins, ON
- Property consists of 170 claims over 3140 ha
- Discovery Hole Lynx Gold Zone
- 16.6 grams/tonne over 12.0 meters
- 0.494 oz/tonne over 40 feet
- Visible Gold at 415 m
- Exploration budget C$1,000,000

TIMMINS PORCUPINE WEST PROPERTY, ONTARIO
- 10 km west of the city of Timmins
- Property is 2.5 km, north east of Lakeshore Gold West Timmins Mine
- Property consists of 106 claims over 1930 ha
- Target Model Hollinger McIntyre Gold System produced 30,000,000 oz Au.
- Property located in Splay Fault Corridor
- Exploration budget C$6,000,000

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- Raised $137 million in September financing to seek opportunities in Sudbury
- Development of high grade LFD project is on schedule for production start up in 2010
- Implemented $15 million flow-through exploration program for 2009-2010 in Sudbury
- Positive earnings of $12.5 million ($0.14 per share) in Q2-2009
- Suspended nickel production provides significant optionality to the nickel price
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Do you have editorial you would like to submit for publication in *Ontario Prospector*? Please email your article, artwork, and contact information to Michael Senecal at msenecal@naylor.com. Please note that all editorial content is subject to approval by OPA.

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The OPA would like to thank Wally Rayner for his dedication as OPA president and would like to welcome Roger Poulin as the incoming president.

Last year at this time we all were amazed at how fast the economy had changed! There were people who lost huge percentages of their stock market value. It didn’t matter how balanced your investment portfolio was; all were down except those in pure cash! It’s a year later, and metals and mining seem to have turned around. The junior market is going through a contraction, with mergers or reverse takeovers occurring frequently. In some forecasts, the reduction of the number of juniors is required to provide a better liquidity market.

The price of gold and other commodities seems to be stable, and companies are exploring lower-grade deposits. It seems that the winners over time have been those companies that have good-quality projects and that have preserved some cash. There are numerous large areas of staked ground being worked across the province.

The new commodity being explored for in Ontario is chromite! The exploration occurring in the Ring of Fire north of Nakina has been focusing on the potential of world-class chromite mineralization. The press releases have been pushing the area as similar to a deposit in Finland. An examination of the claims reveals that about 3% of the area that is part of the government’s Far North Land Use Planning Initiative is staked, and two long potential transportation corridors have been covered. This emerging exploration camp will be a focus for years to come and is possibly the next great northern deposit.

Recently, with the forest industry in trouble, the exploration and mining industry is getting a better profile as a wealth creator in Ontario’s north. The OPA and other groups have been asked to speak to community leaders to outline what is occurring across the north. Reviewing the exploration projects across Ontario quickly reveals that there are some large projects moving forward towards production decisions. These projects include gold, platinum-group metals and copper-nickel. Another interesting aspect is that some of the projects are not in the established mining areas.

The OPA continues to lobby the provincial government to make Ontario the best place to spend exploration dollars. The key issues this year are the Far North Land Use Planning Initiative from the Ministry of Natural Resources and the changes to the Mining Act from the Ministry of Northern Development, Mines and Forestry. These two issues have dominated the OPA’s time over the last year and will continue to for the next couple of years. If you would like to assist, please contact our office.

We look forward to seeing you at the Ontario Exploration and Geoscience Symposium, “A Decade of Risks and Rewards,” in Sudbury on December 15-16. For more information, please visit www.ontarioprospectors.com.

Garry Clark
Executive Director
Ontario Prospectors Association

Thank you to outgoing OPA President Wally Rayner.
nestled in the heart of the Kenora region lies a gold mine—or so believes the management of Houston Lake Mining. For the past seven years, Houston Lake has been exploring the Kenora area in search of one of the world’s most valuable metals—gold. Building on its past successes, Houston Lake has accumulated a large land position and has staked some of the most prospective properties in the region, one property at a time. It has taken the company many years to assemble this land package but they believe they have pulled together a property unmatched by anyone in the area. And they have done it while keeping one overriding principal in mind—minimize shareholder dilution.
At the turn of the century, the Kenora region was the largest producer of gold in Ontario. However, the area was subsequently passed over for later gold rushes in Red Lake, Timmins and Kirkland Lake. Despite the fact that this region was once producing more than half of Ontario’s gold, no modern exploration and mining techniques have been deployed there until recently. Today there are a number of exploration companies in the area, but Houston Lake has had first-mover advantage and intends to be a key player in the revival of the Kenora gold mining district.

**Recognizing Untapped Potential**

Staking property in any relatively unexplored area is a very risky proposition. It was even more so in 1997 following the collapse of metal prices and shaken investor confidence after the Bre-X Minerals scandal. However, Houston Lake’s management team of experienced miners and exploration geologists were very familiar with the Kenora region and recognized the area’s untapped potential. Since 2002 Houston Lake has been a mainstay in Kenora and has been building its land position to form its present day 100% owned West Cedartree property. Where others saw risk, Houston Lake saw potential.

Houston Lake’s approach to gold exploration has been slow and steady wins the race. The West Cedartree property is comprised of eight contiguous gold zones that were painstaking pulled together following a new gold discovery and geophysical survey that identified a strong anomaly running through the property. The company currently has two NI 43-101 resources on two of these gold zones (Angel Hill and Dubenski) and a historical resource on a third (Dogpaw Lake). The company has recently finished two exciting drill programs on its Dubenski gold zone that yielded some of the best results in Houston Lake’s history. These results are being used to upgrade the resource calculation, which is expected in the fall of 2009. This year’s drilling season also promises to be very exciting for Houston Lake. The company is planning a drill program that follows the Dubenski gold mineralization along strike in an effort to accumulate more ounces in that zone. The company will also continue to drill the Dogpaw Lake property in an effort to upgrade the historical resource to NI 43-101 standards.

**The Angel Hill Zone**

In addition, Houston Lake plans to revisit the Angel Hill zone this year. Angel Hill is a new discovery that was identified in a road cut. The company has only explored about 1% of this gold zone but has pulled some exceptionally high grades. During percussion drilling they encountered 1.22 m of 479 g/t Au on the Angel Hill zone. These results led to the third-largest staking rush in Ontario as other interests staked ground around the project. Fortunately Houston Lake had already secured an excellent land position in the area.

This year Houston Lake plans to return to the Angel Hill Zone to further explore the Robertson Occurrence. An historic gold showing, the Robertson Occurrence was recently rediscovered by Houston Lake prospectors along the Angel Hill trend approximately 1.4 km (0.84 miles) to the south of the Angel Hill gold resource. The gold showing is located proximal to the most prominent IP chargeability anomaly in the southern extreme of the IP survey area. The Robertson occurrence is marked by a series of trenches and pits. Preliminary grab samples assayed 1.63 to 1.98 g/t gold from the trenches and contains features similar to that at the Angel Hill gold resource. A second area also returned 1.90 and 3.05 g/t gold in grab samples. Mechanized stripping of these showings is planned to follow up on these results.

**Along Strike**

All three gold zones (Angel Hill, Dogpaw Lake and Dubenski) are open along strike and to depth. Of note, Houston Lake has not drilled below a depth of 100 metres on the West Cedartree property. The geology of gold mineralization in the Northern Ontario is typically high-grade deep veins. Deposits that have gone on to become producing gold mines tend to be deep deposits. Houston Lake has identified that the geophysical signatures associated with the gold mineralization on their property tend to strengthen as they drill deeper. However, deep drilling is both risky and expensive and Houston Lake has concentrated on building resources at shallow depths that are less expensive to explore and cheaper to mine by open pit.

Unlike many other junior exploration companies, the management of Houston Lake has expertise in open pit mining. To illustrate this point, Houston Lake took a bulk sample from Angel Hill and made a profit while doing so. The bulk sample processed it at a third party mill in 2006 at gold price of US$685 per ounce. The sample of more than 1,000 tonnes yielded a grade of 5.67 grams per tonne of gold. Almost 5,500 grams were produced at a recovery rate of 93%. That generated a cash settlement of more than $131,000, for a profit of $52,000. Approximately two-thirds of the cash outlay was shipping cost to the mill. That portion of the expenditures would be eliminated by an on-site mill.
The company has deliberately followed the gold mineralization along strike rather than to depth with the goal being to identify sufficient tonnage to justify three open pit mines that would feed a central mill on the property. With the exploration to date they are well on their way to achieving that goal. Once in production future drilling and further exploration of the large land package could be self financed.

In choosing this approach they have advanced exploration on the property while keeping in mind their goal of preserving a tight share structure. Many junior exploration companies have overlooked this important aspect of running a public company and have issued an exorbitant numbers of shares to finance exploration at rock bottom prices. Houston Lake has taken a conservative view and issued limited shares to finance upcoming projects believing value will continue to be expressed in the share price as results are reported to the market. As gold trades above the $1,000 an ounce mark, the market fundamentals look strong for gold to remain at elevated prices in the future. This bodes well for gold exploration companies that are more leveraged to commodity prices.

With another season of drilling ahead of them, Houston Lake believes where there is smoke there is usually fire. Judging by the number of companies staking the Kenora region these days, Houston Lake thinks they have been in the right place for a long time. The management team is committed to furthering the project and playing a key role in Kenora’s rise as the next gold mining district in Canada.

About Houston Lake Mining: Houston Lake Mining is an advanced mining exploration company that is actively exploring for gold, platinum group elements and rare metals in northwestern Ontario. Houston Lake’s principal short-term objective is to become a gold producer by surface mining several of the eight properties comprising its West Cedartree project near Kenora. Houston Lake’s platinum group metals project is the Tib Lake property near Thunder Bay, and Pakeagama, its rare metals project, is near Red Lake. For more information, please visit our website at www.houstonlakemining.com.
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HOUSTON LAKE MINING INC.
Houston Lake’s main focus is the West Cedartree Gold Project located near Kenora, Ontario.

West Cedartree consists of 8 contiguous properties spanning 1,674 hectares (4,135 acres).

Three of these properties contain delineated gold resources that are open in all directions.

Houston Lake’s goal is to identify sufficient tonnage to justify an open pit mine and on-site mill.

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Brett Resources’ flagship property is the 100% owned Hammond Reef Project. This property, with over 5 million ounces of gold in an inferred resource, is currently one of the largest undeveloped gold deposits in Canada. The recent movement in the price of gold and the low valuation of the Company has raised Brett’s profile in the mining community. In 2006, when gold price was hovering around $500/oz., Brett entered into an option agreement with Kinross Gold to acquire 60% of the project. Subsequent to earning their 60% interest in 2008, Brett acquired the remaining 40% of the project from Kinross.

Hammond Reef is located in northwestern Ontario, 23 km northeast of the town of Atikokan and 170 km west of Thunder Bay. Access to the property is via a 48 km gravel road from provincial highway 11.

Atikokan was established in the 1940s to service the development and mining of one of the richest iron deposits in North America. The Steep Rock and Caland mines operated for over 30 years, closing in 1979 due to cost pressures. In order to gain access to these iron ore deposits, the Seine River system was diverted and Steep Rock Lake was dredged. The diversion project is one of the greatest mining engineering triumphs of its time. The Seine River diversion created the Marmion Lake reservoir.

History of Hammond Reef

Extensive historical work at several locations at Hammond Reef saw small scale production occur in the mid to late 1890s and again during the 1930s. Follow-up work by Falconbridge in the 1980s and by Pentland Firth in the 1990s gave Brett a good baseline from which to begin its exploration and evaluation of Hammond Reef.

Brett’s exploration crews successfully advanced the resource on this project in just three years. Brett has focused its drilling efforts along the main trend of A-Zone to 41-Zone and has taken the historical resource from 1.8 million oz. at a grade of 0.86 grams per tonne to an NI 43-101 compliant resource of 5.2 million oz. or 155 million tonnes at 1.04 grams per tonne.

Hammond Reef has several other gold-bearing targets that remain untested. The next phase of exploration will begin with the evaluation of these targets. Some of this geological evaluation will involve follow-up on work done in the 1890s. In the 1890s, small-scale mining activities delineated some of the highest-grade material on the property. Historical records indicate head grades of 6 to 8 grams per tonne were mined in shallow underground operations. Brett’s field crews are methodically evaluating these areas to see if additional resources can be added to Brett’s already substantial gold inventory. Several of these targets are expected to be taken to drill ready status within the next year.

Brett has also done extensive follow-up soil geochemical sampling that has delineated several other targets that have not yet been tested by either the 19th-century explorers and miners or by the more recent passes of work in the 1980s and the 1990s. The anomalous soils will be compiled with data from prospecting and mapping. New exploration drill targets will be generated from this compilation work.

Brett’s ongoing evaluation, which includes 70,000 m of additional drilling to be completed before the fall of 2010, is expected to both increase the size and improve the category of the resource.

Engineering Studies

A baseline engineering study of Hammond Reef, a Preliminary Assessment, is underway. This “first pass” engineering study will evaluate the project economics with a broad brush approach. The Preliminary Assessment will suggest engineering parameters and work requirements necessary before the project...
can receive permits to construct and operate. The study is due in late October or early November and has had the advantage of being able to incorporate some of the costs used in Osisko Mining Corp.’s Malartic Gold Deposit Feasibility Study.

“The Malartic Deposit has many similarities to Hammond Reef in terms of size and scope,” says Joe Ringwald, VP of Operations for Brett. “Many of the costing figures used in the Malartic Feasibility Study are applicable to Hammond Reef.”

When reviewing the economics of a gold deposit, good metallurgical gold recoveries are key. Hammond Reef metallurgical results indicate that capital and operating cost savings may be achieved by using a mill flowsheet that involves flotation versus whole ore leaching.

Essentially the flowsheet for Hammond Reef mineralization takes advantage of the nature of the gold mineralization’s close relationship with pyrite. The ore processing utilises a cost-efficient flotation method to collect the pyrite and the gold with it. The initial flotation process will reduce the material for final processing by 90%. This process will produce a significant saving on operating costs, allowing Brett to greatly reduce the in-pit cut-off grade.

Hammond Reef gold recoveries exceed 90%, with results from flotation work indicating up to 93% recovery. Also, early testing of the mineralized host rock indicates that the ore tailings at Hammond Reef will be basic in nature and will therefore not be detrimental to the environment. Other trace minerals often associated with gold mineralization, such as arsenic and antimony, have not been found in any significant concentrations in either the mineralization or the Hammond Reef waste rock. This deposit appears to be environmentally benign.

In order to advance the Hammond Reef Project as quickly as possible, engineering studies will be expanded. Geotechnical, advanced metallurgical, baseline environmental, socioeconomic studies and other studies will form part of an advanced scoping study to pre-feasibility standards expected late next year.

**Community Support**

Northwest Ontario has been reliant on the resource industry for its economic well being. Mining and forestry have historically been the largest employers in the area providing good paying jobs in the community. During the recent economic downturn however, both mining and forestry have suffered globally, and Atikokan has not been excluded from this hardship. The last mine in the area near Thunder Bay closed last year, and with the rising Canadian dollar and falling pulp and wood prices most mill facilities have closed. The area now relies on the government and tourism to sustain itself.

Brett recognizes the hardship that many families are facing and has tried where possible to hire and purchase locally. The company has recently leased space and purchased a building in the Atikokan industrial park with the hope that the government of Ontario, working with local contractors, will reopen the former Hardtack Road north of Atikokan to Hammond Reef. This road, when in place, will shorten the distance to the Hammond Reef Project by almost half, and thereby enable employees to live and work in town, generating additional employment opportunities and economic benefits for the Town of Atikokan as well as area First Nations Communities.

“We want Northwestern Ontario to benefit as our project grows from the exploration to the development stage,” says Patrick Soares, President and CEO of Brett. “We want to do what we can to show our support for the local towns and First Nation Communities.”

Brett has certainly been rewarded by a strong, qualified, and willing local workforce. A strong relationship with First Nations has been built on the spirit of trust, peace and partnership.

To this end, Brett Resources, the Lac des Mille Lacs First Nation and the Fort Frances Chiefs Secretariat representing the seven First Nations of Couchiching, Lac La Croix, Mitanjigamiing, Naicatchewenin, Nigigoonsiminikaaning, Rainy River, and Seine River, recently signed a historic Memorandum of Understanding (MOU) to develop and implement an Impact Benefits Agreement (IBA).

Former Treaty #3 Grand Chief, Willie Wilson, hosted the ceremony, which included a traditional tobacco and sage-burning ritual. He said, “To me, it’s a moral document—it represents intent to work together.”

John Mason of the Ministry of Natural Resources commented that it was historic for at least two reasons. While there are approximately 50 MOUs in the province of Ontario involving First Nations and companies, this one is between one junior explorer and eight First Nations, likely to be the first of its kind in this region.

“Brett Resources has demonstrated a sincere desire to understand the culture, history, and business environment within our First Nation territories. Brett Resources, and the approach they have used, can be used as a role model for a leading example for other companies coming in to develop a resource-based business,” said the Fort Frances Chief Secretariat economic development advisor, Tony Marinaro.

“Brett believes that this MOU represents a significant milestone in its ongoing efforts to advance the Hammond Reef Project,” said Patrick Soares, President and CEO of Brett Resources. “The First Nations of the Fort Frances Chiefs Secretariat...
and the Lac des Mille Lacs First Nation have demonstrated their willingness to work with Brett in building a long term relationship.”

**Benefits of Mining**

Recent results from Hammond Reef indicate that this deposit of over 5 million ounces of gold may bring about a much-needed mining revival to northwestern Ontario. A mine with a long reserve life will create new jobs and opportunities that will benefit all communities in the area. The direct jobs and many spin-offs that mining brings should form the basis for local communities to thrive again. Before this can happen, Brett will have to continue advancing Hammond Reef by conducting engineering, environmental, socioeconomic, and other studies. Permits will need to be applied for and received, and large sums of money from risk tolerant investors will be needed. Community support and patience will be the mortar in the mix when building a project as big as Hammond Reef promises to be. Perseverance and persistence will be the building materials of those who will drive this project to completion. Their reward will be a healthy, happy, growing community that benefits from a viable gold mine with a long reserve life.

**About Brett Resources:** Brett Resources’ primary objective is the recognition, acquisition and development of quality precious metal resources. Brett has assembled a portfolio of precious and base metal projects in the Americas. For more information, visit our website at www.brettresources.com.
“This year we’ve really focused on gold,” said William “Bill” Love, Vice President/Business Development for Sage Gold. On Monday, September 21, Love was addressing tour participants.

He explained that Sage Gold continued to explore high-value targets, to develop compliant resources, and to acquire exploration properties in the Beardmore-Geraldton gold camp. Crews were forging ahead on three exciting prospects: Golden Extension, Paint Lake, and King Solomon’s Pillars.

Hydro and natural gas corridors cross the Greenstone region. Logging companies have built numerous roads into the backcountry. Small communities supply a workforce as well as essential services. Highway 11 provides quick access to Thunder Bay and its airport, only 2.5 hours away.

All three properties have geological links to companies with compliant resources. Kodiak Exploration, Ontex Resources, Premier Gold Mines, and Roxmark Mines are also actively exploring this region east of Lake Nipigon and north of Lake Superior.

A Bell 260 Long Ranger helicopter transported parties northeast from the field office, located on Secondary Highway 801 between Beardmore and Jellicoe. In about ten minutes, passengers were treated to a view of the Golden Extension Zone on the Jacobus property. Exposed trenches spread over a clear-cut area. At the No. 9 trench, a backhoe was excavating. The occurrences are on strike with Kodiak Exploration’s Golden Mile Zone, about 5 km to the southeast, on its Hercules property. The Hercules has a series of gold-bearing quartz-carbonate-sulphide veins over an aggregate strike length of more than 5 km. The veins are oriented roughly northwest-southeast. Sage’s Golden Extension is the northwest extension of the Golden Mile where drill cores have returned values as high as 203 g/t (5.92 oz/t) over 2.9 m. Both properties are located in the Onaman-Tashota belt (OTB), north of the Beardmore-Geraldton belt.

Sage’s first phase of drilling involved 17 holes totaling 1,068 m. In Trench No. 1, one drill core assayed 9.54 g/t over a width of 0.76 m; Trench No. 4, 4.01 g/t over 0.39 m; and Trench No. 9, 2.59 g/t over 0.30 m.

Peter MacDonald, consulting geologist, met the chopper as it landed near Vein No. 1, the discovery showing. The night before, a crew had drilled and blasted a small pit, and the sheen of metallic sulphides greeted the visitors. Like other veins, Vein No. 1 had been extensively channel sampled. The field party examined chunks of rock with lenses, spotting VG.
The northwest-trending vein terminated in a pit too deep to expose with an excavator. A fault ran east and west through the pit. To the east, Vein No. 3 ran east-west, where a newly exposed offshoot, 3B, produced a grab sample assaying at 27.61 g/t. To the west, Vein No. 2 also ran east-west. Immediately north, Vein No. 4 had been exposed until it dove under swampy, wooded terrain.

Bill Love, Sage VP and Chief Geologist, remarked that five vein systems had returned good values from surface samples: No.’s 1, 2B, 3B, 4, and 9. “The best part of it,” he said, “has been the No. 1 and the No. 4, having the highest grades.” The best grade in No. 1 was Channel No. 5, 136.50 g/t over 0.50 m, and in No. 4, Channel No. 240, 93.72 g/t over 0.40 m. One grab sample in No. 4 assayed at 259.99 g/t.

A Phase 2 drilling program would soon commence, utilizing data from Phase 1 results, surface sampling, and geological mapping. In many areas of the Jacobus property, the overburden is too deep for excavation. Love said the company planned a basal till drilling program, with an orientation survey in late fall followed by a property-scale sampling program over the winter.

King Solomon’s Pillars Property

The chopper flew southwest to a location just north of Highway 11 and landed in a long east-west trench in a stand of mixed wood. Crews laboured away as an excavator extended the Throne showing further east.
Surface stripping had begun in August, and the company was vigorously pursuing geological mapping, channel sampling, soil sampling, and ground geophysics.

Ron Therriault, project manager, said, “The main target here is 070-trending quartz-arsenopyrite-pyrite-chalcopyrite flooded shears.” A secondary target is quartz-ankerite veins, sulphide-poor, with coarse gold. The last target is the stockworked iron formation.

The property is located in the northern part of the Southern Sedimentary Unit of the Beardmore-Geraldton belt (BGB). It is the same structure that Premier Gold is exploring with drills in its gold-rich Hardrock property near On the Royal Crown Zone of the King Solomon’s Pillars property, Lyle Holt, prospector, identifies the channel cut that assayed at 892 g/t over 0.5 m.
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the BGB further south. The Paint Lake shear zone trends east-northeast and hosts gold-bearing quartz-ankerite-sulphide veins ranging up to 2 m wide, although associated stockworked selvedges can be much wider.

The Phase 1 drilling program began in June and recently finished nine holes for a total drill length of 1,674 m. Hole #4 had a return of 9.59 g/t across a width of 1.65 m, and Hole #8 returned 9.99 g/t over 1.31 m.

Phase 2 had begun the day before the tour. Sage has planned five deep holes totaling 2,500 m. The first hole aimed to intersect the shear below the No. 1 Vein which separates sedimentary rocks from mafic volcanics. Exactly a year ago, the No. 1 Vein had been the only one exposed. An additional nine gold-bearing veins have been exposed and sampled since. Vein No. 7 produced a grab sample which assayed at 34.66 g/t. A channel from Vein No. 10 assayed at 22.77 g/t over 0.4 m.

The Ontex Resources property to the west, contiguous to Sage Gold’s, has identified an indicated resource of 432,300 oz. Au, and an inferred resource of 421,400 oz. Both properties, according to Bill Love, have the same geology and structure.

Love commented, “The Paint Lake property has a number of narrow, high-grade intersections reminiscent of the Brookbank deposit [drill hole results] some years ago.” Using the Brookbank deposit experience as a model, Sage would now drill deeper holes with the objective of finding similar intersections.

The company ran another tour over the next two days, accompanied by Nigel Lees, Sage’s President and CEO. Several personnel from head office and board also participated as a familiarization exercise.

About Sage Gold, Inc.: Sage Gold has an interest in properties in Ontario, Quebec, Nevada, and Arizona, but its main focus is the Beardmore-Geraldton gold camp.

The author is a freelance writer in Greenstone region who has been covering the exploration boom that began in 2006.
Northgate Minerals Corporation is a gold and copper mining company focused on operations and opportunities in the Americas and Australia.

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The concept of material handling—defined as the movement, storage, control and protection of materials, goods and products throughout the process of manufacturing, distribution, consumption and disposal—is probably applicable to every industry. The differences are in the methods, equipment, systems and controls used to achieve these functions. The material handling industry manufactures and distributes the equipment and services required to implement material handling systems. Material handling systems range from simple pallet rack and shelving projects to complex conveyor belt and automated storage and retrieval systems. The most common types of workspace and warehouse storage are component-based shelving and racking systems.

There’s a lot to consider when you’re planning or reorganizing a workspace.

Although shelving and racking seems straightforward to the novice, if you don’t take into consideration the available vertical space, you can end up wasting a lot of very prime storage space and spending more on inefficient storage and retrieval practices.

People often want to place their storage racks in underused areas rather than the areas that are best suited for storage. You want to place your storage in an area that best allows for strategic flow of resources to and from workstations.

After you’ve looked at the available space and settled on a location for your storage, it’s time to choose the type of storage that best suits your needs.

Rack systems are best suited for industrial applications. You will choose from the following types of pallet racks: selective, drive-in, double deep, pushback, very narrow aisle, pallet flow, carton flow and cantilever. If you are looking for smaller-scale shelving options, your choices involve modular cabinets, mobile cabinets, multi-drawer cabinets, long- or wide-span shelving, mini-racking shelving systems with or without drawers, work centres, computer stations, record or file storage, multi-level (mezzanine) shelving, tool storage or any combination of these styles.

Clearly, the choices can seem overwhelming. Consult a knowledgeable product specialist before you make your decision. A qualified specialist not only can assess your storage needs but also provide layout and design options for your workspace.

Now you have to choose a dealer. There’s a lot to consider in determining who’s offering the most bang for your buck.

Product weight. While the weight of the system may not seem very important at first glance, it’s actually your base measure for determining if the dealers who are competing for your business are quoting you similar material. That’s because when you purchase pallet rack, you’re essentially purchasing a commodity: steel. Manufacturers use different gauges of steel to produce their racking. The lower the gauge, the thicker the steel—and, hence, the heavier the pallet rack. Don’t be fooled—make sure you’re comparing apples to apples and not apples to oranges!

Assembly method. Although assembly method has traditionally not been an issue, several manufacturers have recently begun to market bolt-together pallet rack frames. Welded frames have long been the norm, and installation of welded assemblies...
is a relatively simple matter of hoisting the uprights and connecting the beams. With the new bolt-together styles, you need to assemble the frame supports and posts before you begin on the actual rack assembly. On a large rack installation, this additional labour time can exceed any savings you may have incurred on the initial rack cost. You also need to ensure that the bolts are set to the correct tension and verify that all of the supports are correctly positioned along the height of your uprights. Having your employees bolt together the racking may affect your product warranty. Be sure to take all of this into consideration when you’re doing your pricing and assessing your risk.

Hidden terms and fees. Storage racks are like any other product. Some dealers will quote you a price that seems too good to be true and then hope that you don’t notice the small print at the bottom. You want to understand every detail of the quote before you enter into an agreement with a dealer. Examples of hidden terms include:

- Payment only by credit card or wire transfer.

Hidden terms and fees are red flags: check your other quotes for similar terms. Also, before you give someone your money, ensure that you’re dealing with a reputable business that has been operating for a reasonable amount of time.

Timelines. Dealers will often offer low prices because they don’t have anything in stock and therefore no overhead costs to worry about. This means that although you may pay lower prices for your racking, you’ll need to wait longer for the merchandise.

Freight costs. Choose a dealer that is near you or that is offering excellent freight and delivery rates. Large freight parcels are not only large in size, they are very heavy and sometimes fragile, often resulting with a need for extra care in shipping and added expenses. If you’re shipping steel across the country, you’re going to be spending serious dollars.

If you’re going to purchase a new storage system, remember that your supplier designed the system to meet the most current applicable standards for your jurisdiction. He should be able to provide you with documentation attesting to that fact. Ontario, for example, requires a pre-start health and safety review (PSR) prior to a new “stacking structure” being placed into service. A PSR is a review by a professional engineer certifying that the system in question meets current design standards and that it is capable of supporting the loads specified. You can, however, obtain an exemption from your supplier, consisting of documentation indicating design, installation and use criteria and stamped and signed by a professional engineer.

Furthermore, if your warehouse contains an industrial storage system, you are obligated as an employer and owner to comply with the requirements of the Provincial Labour Ministry and Occupational Health and Safety Acts. Under Bill C-45, employers now face criminal charges for negligent actions in the workplace.

Purchase of a used storage system can create additional issues that must
be addressed prior to use. As the storage system ages, it is subject to fatigue and, ultimately, catastrophic collapse. Rarely can an auction house or rack dealer trace the original manufacturer of the components. If you don’t understand the original design criteria and specs of the system or how it was used—or abused—in the past, you’ll be gambling with the safety of your employees.

As with any product, there is a life expectancy for racking. Many of the most reputable manufacturers will repurchase systems only from their own customers and only if they are less than ten years old. Average life expectancy can vary anywhere from 15 to 20 years, but that’s a misleading figure. If you use your roll-formed racking in a single-shift operation, five days a week, 20 years of life expectancy equals 5,200 working shifts. But if you’re working in three shifts, seven days a week, you accumulate those 5,200 single shifts in less than five years.

If you find it absolutely necessary to purchase a used storage system, take a few precautions:

• Very carefully examine all of the components. Any component with any type of deformation (dents, bends, cracks, etc.) must be rejected.

• Any component with a twist or bend must be rejected. For example, if a load beam shows a downward deflection to it when it’s not carrying any load, it has been overloaded and cannot be reused.

• Any component that has been repaired in any way must be rejected.

• Be aware of “refurbished” racking. Typically this consists of components that the seller has inspected for damage and repainted. New paint can conceal weld cracks and repairs. You’ve got no idea as to the qualifications of the people who performed those repairs.

• Avoid purchasing components that were manufactured by different companies. They may appear to be compatible, but each manufacturer fabricates components slightly differently, and those differences can jeopardize the integrity of the system.

• Any component with more than surface rust (rust that you can rub off with your finger) should be rejected, as true corrosion will typically accelerate at these locations.

Most importantly, and this can’t be stressed enough: before you make any shelving or rack storage purchases, consult with a professional storage system specialist.

About Equipment World: Improve your company’s efficiency with our expertise! Work smarter and save money with custom storage solutions to best suit your needs. At Equipment World we design systems with your business in mind. Whether you need a lot or a little more floor space, our modular components let you modify your shelving or racking as you grow for added value and flexibility. With better workstations, employees have room to work properly so the workflow improves, safety increases and productivity goes up. We are an authorized SafeRack safety audit and training facility and have certified design and layout specialists on staff.

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I joined Caracle Creek International Consulting (CCIC) in September 2008—one week after Lehman Brothers Bank failed and at the start of what was to be a significant period of time for everybody in the world. It has been quite a year. The unprecedented drop in global exploration activities was shocking. Literally, work dried up for many. CCIC, like many companies, had not been planning for a downturn and in fact were just coming off an extensive period of growth and hiring that the last few years had brought.

Surviving through this period reminded me of my first permanent job experience after putting in four hard summers in the mountains of BC with Anaconda Canada as a geological assistant. In 1985 I was to start full time as a recently graduated geophysicist. But before I started heading west, I got a call from my boss to be, Luca Riccio, who exclaimed, “We have all lost our jobs.” That was before I even got a chance to walk in the door. More recently, the last time I changed jobs, I had left Dighem, a familiar airborne company, to join Quantec. My timing was perfect: it was the very week of the final Bre-X stock fraud disclosures. You might remember that the ensuing year(s) were also quite a challenge.

Did I learn anything from these “starting experiences?” Maybe. Last fall at the mineral symposium in Quebec, John Kaiser of Kaiser Bottom-Fish Online fame commented, “Call me the next time you consider changing jobs.” So, to the industry: “Sorry, it was all my fault.”

**Diversification**

But, more seriously, I can’t say that we at Caracle have avoided the hardest part of this downturn. There have been many casualties, and it has stunted the career paths of many young geoscientists. However, I can say a lot for the people in the industry who have put their shoulders down and kept on working. Adversity is often a significant driver of innovation and invention, and I am happy to say that the broad spectrum of talent in our organization has kept us slowly moving forward.

That diversity of talent has resulted in CCIC getting involved in resource modeling for Potash and given us the ability to provide expertise to rare-element exploration and modeling in the tantalum and lithium exploration sectors—key areas that were still active when a lot of other things had dried up. In addition, several ideas that have helped us diversify from strictly geologically based project management have proven themselves and are slowly being accepted in the industry.

**Old Gold**

One of the characteristics of the industry over this period has been a stable and high gold price, and that has led many small companies to advance their old-gold portfolios. This has translated into a significant number of exploration groups resurrecting old mines and historical workings. In some cases, reported resources were left in the ground due to lower commodity prices at the time. These issues have fit well into our 3D exploration process, which is able to capture the most succinct information from the past digitally and in 3D, establishing what people “think” they have based on the historic data, then moving directly to the resource phase, proving it up with drilling and then continuing to build the project in the 3D space right as the field teams are collecting new information in the field.
Mining the Fundamentals

Caracle has also realized that most exploration involves far more than what we as geologists see on the surface. We have geophysicists on staff who can address how geophysical information really relates to the chemistry and alteration in the rocks. Physical rock properties are important facts that are often overlooked by exploration companies, and, through sampling and analysis, we try to provide our clients with the fundamentals for understanding the significance of all aspects of subsurface geology far forward in the planning stage.

CCIC on the Web

Caracle Creek has also developed a web-based tool for geologists and prospectors alike. We initially developed it to help one of our clients track and manage their claims. But, we realized that many people might want an easier way to view claim holdings in Ontario then what has been provided by the government. First launched at the Prospectors and Developers Association (PDAC) convention in spring 2009, the website—www.ccicclaims.com—allows people to overview claim status across many provinces of Canada. Through convenient links to Google Calendars, notifications can be set to warn when claims are coming due. Claims are colour-coded to indicate at a glance which claims are in good standing (green) and which have less than 60 days (red). I note that these days there are many claims in the red category, which will inevitably lead to opportunity for some explorers. In addition, a grid-making utility is available on the site to help geoscientists plan surveys across the globe.

Involvement with the First Nations

Finally, through a good understanding of the process of negotiation, we have stepped up to the discussion of consultation processes surrounding several of the First Nations and their mining interests and are offering specialized services in this field.

Coming Up...

Upcoming events include a presentation by Dr. Julie Selway at the Ontario Prospectors Association meeting in December 2009 on rare element exploration. And, of course, for the PDAC we are once again putting on the Caracle Cup, which has its historical roots as a fun event at the spring PDAC conference.

So, overall, has it been a good year? It has definitely been a challenging year and it has been an exciting year. The challenges that we have faced have been widespread in the industry, and I feel that despite some fairly grave periods in the recent past, the industry as a whole will overcome and the good projects will once again rise to the top. We are hoping that as the industry picks up, our expanded services and unique approach will attract more clients seeking help with their global exploration.

About CCIC: CCIC is a professional geological and geophysical consulting company that provides a wide range of services, from conception through to resource modelling, for the mineral exploration and mining industry. Backed by experienced industry professionals with extensive management and technical skills, and with offices in Canada and South Africa, CCIC is well positioned to service its international client base. Visit us on the web at www.cciconline.com.
The Kenora Gold District: A New Gold Camp in the Making?

Treasury Metals thinks so

The Kenora District, which covers more than 68,000 km² and extends more than 360 km eastward from the Manitoba border and more than 200 km northward from the U.S. border, was historically the centre of gold production in Ontario. Gold was discovered in the Lake of Woods area in 1878, and by the early 1900s several gold mines were in place, accounting for more than 55% of gold production in Ontario. In 1909, the area was vacated in favour of other gold rushes in Timmins and Kirkland Lake, and by 1912 economic conditions in the Kenora District had forced the closure of many of the mines. In 1934, the U.S. Government official gold price was set at $35 per ounce, triggering the resumption of gold mining. However, by 1943 most gold mining had ceased due to wartime conditions, and since then only small amounts of gold have been produced, mainly as by-product or from tailings cleanup projects. In total, the Kenora District has only produced an estimated 250,000 ounces of gold, which pales in comparison to other greenstone belts in Ontario, with which the Kenora District shares many similar and prospective geological characteristics.

All the Right Rocks

The Kenora District, entirely underlain by Archean (i.e., before 2.5 billion years ago) rocks of the Superior Province of the Canadian Shield, is dominated by rocks of the Wabigoon Subprovince. The Wabigoon Subprovince consists of narrow, generally east or north-northeast trending belts of mixed volcanic, intrusive and sedimentary rocks, referred to as “greenstone belts,” which are separated by large, generally granitic intrusive rocks. Arguably, the Wabigoon Subprovince is host to the second-largest assemblage of greenstone belt rocks in the Canadian Shield, yet its gold potential is largely underexplored and certainly underdeveloped. Today, more than a dozen exploration companies are using modern techniques to revisit the more than 40 gold occurrences, prospects and deposits in the area, resulting in a better understanding of known gold mineralization and new discoveries. Treasury Metals believes there is not only an opportunity for discovery of new gold deposits but also justification to consolidate these projects, build sufficient ounces to feed a centralized mill and turn the area into the next Canadian gold mining camp—the Kenora Gold District.

Archean greenstone belts in Ontario are host to numerous world-class producing and past-producing gold mines as well as many potentially economic gold deposits and prospects. Examples include: the Red Lake and Pickle Lake gold camps (>26M ounces Au) in the Red Lake and Pickle Lake greenstone belts; the Beardmore-Geraldton belt which is host to 19 past producing mines (>4M ounces Au); the Timmins (>67M ounces Au) and Kirkland Lake (>40M ounces Au) gold camps in the Abitibi greenstone belt; the Musselwhite Mine (>2.5M ounces Au) in the Weagamow-North Caribou greenstone belt; and, the Hemlo Gold Camp (>18M ounces Au) in the Hemlo-Schreiber greenstone belt.
Anyone involved in exploration knows the old adage, “The best place to find a gold mine is within sight of an old gold mine.” Over the years, prospectors in Canada have successfully followed this rule and staked areas near past-producing mines, and through the use of new exploration and mining techniques many companies have identified new ounces in areas thought to have been mined out. The result has been a focus on producing greenstone belts, leaving prospective regions such as the Kenora Gold District largely ignored and undervalued. Treasury Metals has long recognized the Wabigoon Subprovince as somewhat virgin territory and has been busy exploring the area which in addition to its prospective geology, is well serviced by existing infrastructure such as highways, rail lines, power and readily available skilled labour.

The Goliath Gold Project

Treasury Metals’ flagship property is the Goliath Gold Project (which includes the Thunder Lake Gold Deposit), located about 20 km east of the City of Dryden and immediately north of the Trans-Canada Highway. Treasury Metals purchased the property from Teck Resources and Corona Gold in 2008. The area of the Goliath Gold Project was investigated in 1989 by Teck Resources (known as Teck Exploration at the time) as part of their Quest Project (a search for Hemlo-type mineralization). Their reconnaissance work outlined an extensive area of alteration with associated gold concentrations extending over 2,400 metres in strike length. The alteration zone was recognized as having similar characteristics to that of the footwall alteration system at Hemlo.

Teck and partner Corona completed over 250 drill holes (70,000 metres) on the property, intercepting anomalous (>100 ppb Au) and higher-grade gold concentrations within an alteration corridor that stretched over 5,000 metres. By the time the project wrapped up in 1998, Teck and Corona had completed an underground bulk sampling/metallurgical program, which demonstrated gold recoveries of >96% (cyanidation/gravity) and had outlined the Thunder Lake Gold Deposit. Many may recall this property from the early to mid-1990s when exploration results garnered front page news, suggesting another Hemlo-type discovery. By 1998 however, gold began to lose its value, and by the end of 1998 gold was trading below US$290 per ounce.

In December 2008, Treasury Metals received the first-ever NI 43-101 compliant mineral resource estimate on the Thunder Lake Gold Deposit from A.C.A. Howe International Limited. The deposit consists of 130,000 ounces of Indicated gold (820,000 tonnes @ 4.8 g/t Au; Main Zone) and 920,000 ounces of Inferred gold (7,000,000 tonnes @ 4.1 g/t Au; All Zones) using a cutoff grade of 2.0 g/t Au. The average true width of the Main Zone is 7.6 metres with an average true width of 1.9 metres in the high-grade core. Economically significant gold concentrations occur in strongly pyritized and silicified quartz-sericite schist (felsic volcanic) and metasedimentary rocks. Zones of higher gold concentrations take the form of steeply plunging shoots with excellent down-plunge continuity.

The Thunder Lake Gold Deposit has many characteristics that are comparable to other Archean gold deposits in Ontario, including high-grade ore shoots that report to surface and have the potential for a major and rich discovery at depth (i.e., >800 m depth). To date, Treasury Metals has only drill tested the deposit to about 750 metres depth and with the deposit being open in all directions and at depth, the Company is confident they can expand its current resource through step-out, in-fill and deep drilling.

Although the more than 53 km² Goliath Gold Project property has numerous exploration targets, the company plans to initially expand the current resource by following it along strike to the west and northeast. Treasury Metals recently announced a 4,500 metre diamond drilling program that is designed to concentrate on shallow targets in the western and northeastern extensions of the gold deposit. The program may also include some deeper drilling in these areas, as well as within the current mineral resource.

The goal of Treasury Metals’ current exploration and drilling programs is to add gold ounces by building on the historic database and drilling from Teck and Corona and on the results of Treasury Metals’ own modeling and interpretation. With plans for “deep-section” induced polarization geophysical surveys, a preliminary economic assessment and much more drilling on the project, Treasury Metals is confident they will be able to add significant ounces to the deposit in the coming year and move the deposit toward production.

A Case for Consolidation?

Gold mineralization in Archean greenstone belts tends to be relatively narrow with high-grade gold concentrations occurring in steep-plunging shoots. Mineralization of this style typically continues to depth, leaving miners with the option to start with an open pit mine configuration followed by an underground operation. There have been multiple gold discoveries with this style of mineralization, including Red Lake and Hemlo—world-class deposits that have yielded multimillion ounces of gold with their richest discoveries coming from deep gold systems (i.e., >1,500 metres depth). Treasury Metals’ believes that the Goliath Gold Project lends itself to this type of mining scenario with tremendous upside for significant discovery at depth.

For smaller exploration or junior mining companies, one of the challenges in building a new mine today is to delineate enough gold ounces to justify on-site infrastructure (i.e., mill and concentrator). Deep drilling is very expensive, and the costs of delineating a resource and taking the project to full feasibility often prove uneconomic as a standalone entity. As exploration companies, by definition, are not producers, they have no cash flow with which to finance their operations and are forced to repeatedly tap the market for equity. The dilutive nature of this process often causes the capital structure of the company to be seriously compromised by the time a reserve is calculated and a production decision can be entertained.

With gold prices topping US$1,000 an ounce, Treasury Metals is not alone in the Kenora Gold District. Numerous exploration companies and individuals have staked large tracks
of land in the region and are working to identify new gold resources or upgrade historical work. The result is a fragmented approach to exploration and development in the area. Treasury Metals believes that early recognition of synergistic opportunities amongst orphaned gold projects with potentially economic gold mineralization will create an exciting and profitable area play—ultimately leading to production.

With only 250,000 ounces of gold having been produced from the Kenora region, Treasury Metals is also targeting the Kenora Gold District for consolidation and joint ventures. By locating a central mill, the company can feed gold ore from its Goliath Gold Project as well other projects in the area. Today’s elevated gold price and predictions for a stronger “basement” on the longer term gold price (i.e., US$850 per ounce) means many smaller deposits could be economically mined and the ore trucked within a few hundred kilometres to a centralized milling facility. Given its mining past, the Kenora Gold District offers excellent infrastructure and skilled labour and with its history of supporting natural resource extraction (i.e., mining and forestry), community support is strong. All of these factors, which could present challenges in other jurisdictions, are critical in building a successful mining camp.

Equally important is the early identification of quality gold projects and high potential exploration properties. Treasury Metals has a strong management team with a proven track record of exploration and mining success. Combined, they have discovered world class gold, silver, uranium and base metal deposits and have unmatched expertise in identifying projects with vast potential. Their knowledge spans the stages of project development, from acquisition to production in mining jurisdictions around the world. They have negotiated with multiple companies and interest groups to move projects forward in far more contentious political environments than mining friendly Ontario.

Treasury Metals believes that by developing its quality gold asset and combining neighbouring properties they will create the next great Ontario gold camp, the Kenora Gold District.
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