

# BUSINESS

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MINING

## Company hopes for White Bay gold

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The Telegram

A British Columbia-based mineral exploration junior is looking for Carlin-style gold deposits in the White Bay area. So far, Kermode Resources says it likes what it sees.

The company has drilled 10 core sample holes on its gold property near Jackson's Arm. Kermode has assay results from four of them and said it has encountered up to 45 metres of continuous gold mineralization in some areas.

"It's a big chunk, and it's not that common. It's not 45 metres, necessarily, that you could mine," said Neil Briggs, a geologist and director with Kermode.

"I would think we'll drill another 10 to 15 holes this winter, and at least the same number in the summer. We've got lots of drill targets from the work we did last summer."

Kermode's gold property stretches 17 kilometres in length and about three kilometres wide.

"It's a big chunk of ground, so we've got lots to do," said Briggs. "They're really encouraging numbers — they're validating this new idea, the Carlin-type deposits."

Carlin-style gold deposits are typically large and contain low grades of gold. The deposits are named for the Carlin trend in Nevada, which is home to 20 mines that have produced more than 50 million ounces of gold since

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Newfoundland Geological Survey*

mining began there in 1962.

"Deposits of this type are a very important part of the world gold supply," said Andrew Kerr, a mineral deposits geologist with the Newfoundland Geological Survey.

"The United States produces a significant chunk of the world's gold supply, and most of it comes from deposits of this type.

"We don't have any record of deposits or mineralization of this type in Newfoundland, but that doesn't mean that they're not there."

Recent exploration interest in Jackson's Arm started with a 1983 discovery by a prospector during the construction of the Cat Arm hydro access road.

By 1991, BP Canada Ltd. had drilled 63 core sample holes on the property before discontinuing its exploration program. The property was idle until 1999 when another company, South Coast Ventures, staked a claim and brought in Kermode.

Briggs says there are two main kinds of rock on the Jackson's Arm property — granite and limestone.

The 1983 discovery was found in granite rocks, while Kermode is focusing on limestone.

### Area has history

Kerr says the White Bay area has a long history of gold exploration.

"The first gold mine in Newfoundland was actually up near Sop's Arm," he said.

Known as the Browning mine, it produced a single 150-ounce shipment of gold in 1903, according to Heritage Newfoundland's story of pre-Confederation gold mines.

"Back in the old days, they found something interesting and they just started digging," said Kerr. "Sometimes it worked out and sometimes it didn't."

Ore from the Browning mine was hand-winch up the shaft, panned and crushed manually before a crushing and concentrator plant was installed. The machinery frequently broke down.

When it did work, scores of local boys were employed as woodcutters to help fuel the plant.

A buyer in St. John's assessed the mine's first and only gold shipment to be worth \$3,000. Considered a failure, the mine was abandoned in the winter of 1903.

Much of the machinery and supplies, including the dynamite, was left behind. Two years later, a man named Cornelius Ricketts was reported killed there when he stumbled upon the dynamite while examining the old mine shaft.

(Once Upon a Mine can be viewed at Heritage Newfoundland's website at: [www.heritage.nf.ca/environment/mine](http://www.heritage.nf.ca/environment/mine).)

The most recent gold mines in the province are Hammerdown, which is still in operation near King's Point, and Nugget Pond, also located on the Baie Verte Peninsula.

"They're small gold deposits, but relatively high grades," said Kerr. "They're a different kind of deposit."

He says commercial development of a gold discovery depends on ore grades and quantity, and it can take at least two to three years to fully define a gold deposit.

"At the moment, the two things that are driving gold exploration in Newfoundland are the prices of gold ... and the perception that this is an area with lots of indications of gold mineralization, but relatively little detailed exploration," said Kerr.

"So, the province is seen as a place of potential."

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