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Orefinders sees untapped potential in Kirkland Lake

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VANCOUVER — When equity markets and investors get skittish being an explorer in an established jurisdiction with minimal socio-political risk can really payoff. And with that concept in mind Vancouver-based junior **Orefinders Resources** (ORX-V) set its sights on mature gold camps in Ontario's Red Lake and Kirkland Lake districts in a bid to identify historic projects that could put the company on the map.

After looking at a number of opportunities Orefinders set its sights on the Mirado gold project 35 km southeast of the gold mining town of Kirkland Lake, which lies in the prolific Abitibi gold district. Mirado is a brownfield project that was initially in production in the 1930s, and came complete with roughly 40,000 metres of historic drilling that allowed Orefinders to fast-track its target identification and get the drills turning.

"We took a serious look at what was around in Red Lake and Kirkland Lake, and ended up acquiring Mirado," comments Yeomans during an interview. "It's actually been in production a few times, but the main complaint back then was that the miners were not interested in the lower-grade gold that appeared to be all over the place. We looked at the historic holes and in addition to there being significant high-grade gold there were also broad zones of low-grade that perked our interest since they were close to surface."

Orefinders got to work compiling its historic data, and ended up identifying two areas of prospective interest for its inaugural drill campaign, namely its North and South zones. The North zone lies near Mirado's historic mining shaft, and hosts vertical mineralization that appears to have very strong continuity. The South zone is Orefinders bulk-tonnage target, where the company has focused much of its drilling in a bid to outline a maiden resource as quickly as possible.

"Once we had that compilation done we decided to shoot it with a deep-penetrating induced-polarization (IP) survey," Yeomans adds. "Low and behold it was one of those unique situations where all the pyritic mineralization that is associated with the gold lit up quite nicely with the chargeability. So we have some very well-defined targets. In that process several new things came up, and that allowed us to prioritize. There are certain areas around the North zone and the shaft where there is very little drilling, and there we see some strong deep-seeded structures there that look promising."

And Orefinders is definitely fast-tracking its work at Mirado. The company is aiming to complete its 100% earn in requirements by the end of the year. Under its Mirado agreement, Orefinders is obligated to spend \$2 million in exploration within three years, but according to Yeomans the company had completed 75% of that requirement by the end of May. The agreement also features a 3% net smelter returns royalty (NSR), which Orefinders can buy back for a \$6 million.

By May 28 Orefinders had completed 8,800 metres at Mirado over 29 holes, and the company has been cutting some impressive grades. Highlights from exploration drilling at the South zone include: 46 metres grading 1.33 grams gold per tonne from 136 metres depth in hole 13-03; 4.3 metres averaging 9.88 grams gold from 56 metres in hole 13-06; 19.5 metres grading 3.65 grams gold from 265 metres in hole 13-10; and 8.2 metres of 10.6 grams gold from 62 metres depth in hole 13-12.

Mirado comes complete with historic metallurgical work completed in the 1980s, with gold recovers from a combined gravity concentration and flotation clocking in at 94.4%, while recoveries with direct cyanidation were around 95%.

Orefinders expanded its presence in the Kirkland and Larder Lake gold district when it nailed down a deal for its South Break land package in early March. South Break includes patent claims that have not been optioned or explored since the 1940s, but Yeomans sees a lot of potential in some of the historic results.

"Since these are patent claims we can do anything in a heartbeat there. So we have an excavator going in and we're going to clean up the historic trenches in front of the old drill casing, and we'll do some channel sampling on it to see if we can verify some results," Yeomans comments, citing historic results that returned roughly 59 grams gold over 2 metres. "You can see the holes lined up right up at the trench so it is pretty obvious they had the mineralization in outcrop, so we'll clean that off and confirm those numbers."

And Orefinders looks to be well positioned to continue its exploration activities at both Mirado and South Break. The company had \$3.2 million in the bank at the end of May, and expects to end the year with roughly \$2.2 million and be well on its way at Mirado. Orefinders has a relatively tight equity structure with 48 million shares outstanding, and has jumped roughly 50% or 10¢ since early May to sit at 30¢ per share at the time of writing. The company has traded within a 52-week range of 18¢ and 95¢ and maintained a \$14 million market capitalization at press time.

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