

## Marathon cracks open gold system at Valentine Lake



MARATHON GOLD

An example of multiple gold-bearing, quartz-tourmaline-pyrite veins in trondhjemite at Marathon Gold's Valentine Lake project, 57 km south of Buchans, Newfoundland and Labrador.

BY TRISH SAYWELL

Since picking up the 50% that it didn't already own of the Valentine Lake gold project in Newfoundland, **Marathon Gold** (MOZ-T) has been busy proving up resources across the 260 sq. km flagship property, 57 km south of the mining town of Buchans.

After wrapping up its drill program last year, Marathon updated the open-pit and underground resources at the project's main Leprechaun deposit.

The company plans to update the resources in this year's third quarter, using more results from its winter 2013 drill program.

In the meantime, the gold project's open-pit measured and indicated re-

sources stand at 8.2 million tonnes grading 2.14 grams gold per tonne for 561,000 contained oz. gold. Underground measured and indicated resources total 1.4 million tonnes grading 2.75 grams gold per tonne for 121,000 contained oz. gold.

Inferred resources in the open pit add 900,000 tonnes at 1.93 grams gold for 56,000 contained oz. gold, and underground inferred resources tally 1.1 million tonnes grading 2.60 grams gold for 89,000 contained oz. gold.

The Leprechaun deposit sits at the southwestern end of the Valentine Lake project and remains open at depth and along strike. It has received the lion's share of the company's drilling so far, but it makes up only a small part of

the enormous Valentine Lake property.

The Valentine East Hill deposit runs northeast from Leprechaun for 13 km along strike. The company released its first resource estimate on Valentine East Hill in mid-June based on a 2,000-metre drill program completed earlier this year that the company says covered a small part of the gold occurrences found in the Valentine East area, at a discovery cost of \$8 per resource oz.

The resource estimate is constrained by an economically optimized pit shell running 300 metres long to a depth of 100 metres. It defines an open-pit indicated resource for Valentine Hill East of 761,000 tonnes grading 1.67 grams gold for 41,000 contained oz. gold, and

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an inferred resource of 199,000 tonnes of 1.47 grams gold for 9,000 contained oz. gold. The company uses a cut-off grade of 0.6 gram gold per tonne and those resource numbers are based on 28 diamond drill holes, for a total of 576 metres of drilling.

“As far as projects go in Newfoundland, 50,000 oz. of new resource is not exciting in itself, but what this shows is the opening up of a much larger system,” says Phillip Walford, Marathon’s president and chief executive in an interview. “It’s really just a part of a property that has got almost a million ounces on it now and growing.”

Indeed, Valentine Hill East is just one of many gold occurrences — both historic and ones the company has found through prospecting — that Marathon has turned up over the last two years at Valentine Lake. These include the J. Frank zone (which is ready for resource drilling), Sprite Northeast, SA Pond, Valentine SW (an extension of Valentine East Hill) and Valentine NE, about 1,000 metres along strike northeast of the Valentine East Hill resource.

The J. Frank zone, which extends more than 1.4 km long and 250 metres wide, is up to 0.5 km southwest along strike from the current resource boundary of the Leprechaun deposit. All of the gold occurrences form part of a 23 km, highly prospective gold-bearing mineralized corridor along the Valentine Lake thrust fault, and many of them have never been drilled.

“We’re pushing through to a million ounces, but what’s important is that we’ve got a large gold system,” Walford says. “There’s gold in every rock type and the focus is along a favourable contact of the Valentine

Lake shear zone, and this is what is really getting exciting . . . it’s still early as far as exploration goes on the rest of the property, but as we go along and start systematic exploration we’re finding more and more all the time, and some of these things have never been touched.”

Walford notes that the favourable stratigraphy, or shear zone, stretches over 26 km on strike, and that the company is seeing the same mineralization — gold-bearing quartz, tourmaline and pyrite veining — from Valentine East all the way down to the property’s southwest end.

“We’re almost at a million ounces at Leprechaun alone, and we can expand the Valentine East area through more resources,” he says. “Valentine East is just a baby resource, but it’s significant in that it is a start, and this property is really opening up for us. We’re not at the full potential of this property yet by any stretch of the imagination.”

Walford — who was one of the founders of Marathon PGM Corp. (Marathon Gold’s predecessor) and served as its president and CEO for many years, and has also held senior management positions at Pamour Porcupine Mines, Lac Minerals, Geomaque Explorations and Hudson Bay Exploration and Development — describes the Valentine Lake project as being part of the Central Mineralized Belt that extends from the north shore of Newfoundland all the way down to Camp Ray on its south end.

“What it really is,” he says, “is a greenstone belt that has not had the kind of exploration that greenstone belts typically have had in the rest of Canada. It is part of the Appalachian orogeny — part of the Appalachian Mountains,

actually — so it’s much younger than Archean.” And like most orogenic deposits formed by mountain building and rifting, he adds, these types of deposits tend to persist to great depths.

The project is accessible by gravel forestry roads from the Trans-Canada Highway, and the southwestern extent of the property is bound by the Victoria Lake hydroelectric reservoir that supplies Newfoundland and Labrador Hydro’s Granite Canal power-generating station — a potential power source for the project.

The first exploration at Valentine Lake was undertaken in the 1960s by Asarco, which operated five copper-zinc mines in the Buchans area between 1927 and 1984. Subsequent exploration was conducted by a number of other companies, including Hudson’s Bay Oil and Gas, Abitibi-Price, BP Canada, Noranda, Mountain Lake and Richmond Mines.

Marathon PGM acquired the project in 2010.

Elsewhere in Newfoundland, Marathon is conducting exploration work at its early stage Baie Verte gold project, 13 km south of **Anaconda Mining’s** (ANX-T) Pine Cove mine, and at its Finger Pond gold property, 50 km on strike and southwest of Valentine Lake.

Outside of Canada, Marathon has gold projects in Idaho’s Coeur d’Alene mining district and Oregon’s Greenhorn district.

The company raised \$5.5 million at the end of 2012, and has \$2 million in working capital.

At press time Marathon was trading at 26¢ per share within a 52-week range of 24¢ to 98¢. The junior has 60 million shares outstanding.