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Marathon beats chest at Golden Chest

BY TRISH SAYWELL

After releasing a maiden resource estimate last month for its 50%-owned Golden Chest gold mine project in Idaho, **Marathon Gold** (MOZ-T) is back in the news with drill results that the junior explorer describes as a “very encouraging start.”

The company and its joint-venture partner and project operator **New Jersey Mining** (NJMC-Q) are undertaking a 20,000-metre program of surface and underground core drilling, as well as underground development that is showing that gold mineralization has a strike length of at least 1.1 km and is open to the north and south.

The most significant newly released intercept was from hole 107, which returned 5 metres of 12.4 grams gold per tonne from a depth of 74 metres, and 7.74 grams gold over 3 metres from 107 metres. The underground hole extends gold mineralization nearly 100 metres south of previous drilling.

Phillip Walford, Marathon Gold’s president and CEO, says part of the beauty of the Golden Chest property — in the Coeur d’Alene mining district 2.3 km east of Murray, Idaho — is that the majority of historic exploration took place there during the 1890s and early 1900s, before the use of diamond drills and the mechanization of the industry.

“Right now we’re drifting on a vein just off the old workings that runs half an ounce per tonne and was never discovered,” Walford says. “They had no idea whether it existed or not. Back then it was done almost all by hand, there were no hand drills or anything else, it was just chisels . . . mechanization really



PHOTO BY MARATHON GOLD

Drillers working at Marathon Gold’s Golden Chest project in northern Idaho in February.

did change the game.”

Shallow underground mining of the Katie and Dora high-grade veins produced around 65,000 oz. gold before work on the property ground to a halt in 1904 at a time of flat gold prices and rising mining costs.

“Golden Chest basically went to sleep until about the 1960s,” Walford says, when a small company came in and did a bit of mining in the north end of the property and put in three holes.

“Golden Chest is unique in that you’ll never find a mine like that in Timmins or Red Lake, because they’ve either been mined or extensively explored,” Walford says. “There just wasn’t the exploration [in this part of Idaho] as there has been in most of Canada, so

that has given us a great opportunity.”

In the late 1980s Newmont Exploration punched 35 shallow reverse-circulation and five core holes into the property, and came up with an inferred resource estimate of 231,000 oz. at 1.66 grams gold per tonne. Marathon says Newmont’s historic resource estimate was mostly contained in a large, quartz-vein system known as the Idaho vein on the southern end of the Golden Chest property.

“They did some widely spaced reverse-circulation drilling on surface, and they encountered mineralization that we have defined now, and they decided it was too small for them and let it go,” he says. “They didn’t drill underground.”

New Jersey Mining has leased the

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property since 2003. Before its joint venture with Marathon, it completed 3,500 metres of core drilling primarily focused on extending the Idaho vein at depth. The company conducted small-scale underground mining of 8,400 tonnes averaging 6.9 grams gold per tonne.

Highlights from the latest drill holes Marathon released include underground hole 117, which is the southernmost hole drilled on the property that extends gold mineralization by 300 metres from previous drilling. The underground hole returned 3.56 grams gold over 5 metres of true vein thickness, which according to Marathon indicates that the gold system is “high-grade and continuous.” Underground hole 106 cut 8.22 grams gold over 4 metres from 153 metres, and open-pit hole 102 cut 1.26 grams gold over 12 metres.

Golden Chest’s measured and indicated resources stand at 3.11 million tonnes grading 1.47 grams gold for 147,000 contained oz. gold. Inferred resources add 4.98 million tonnes averaging 1.46 grams gold for 233,300

contained oz. gold.

Walford said the company hopes to complete an updated resource estimate by year-end.

There are 24 patented mining claims and 70 unpatented mining claims. The patented ones covering the mine workings have mineral and surface rights that allow the joint venture to work easily on the property. “Unlike lode claims on public lands, we can actually construct roads and do exploration without any permits,” Walford says. “To build a mill and a tailings facility we’ll need permits and an environmental review, but to do exploration work, no — because it’s private land.”

Gold mineralization at Golden Chest is related to a thrust fault known as the Idaho fault. The property is on the west limb of the Trout Creek anticline, a major north-trending fold in the Prichard formation.

Golden Chest is a classic, lode-quartz gold system, mostly with gold and a bit of associated tungsten. In the southern part of the mine, gold mineralization is found near and parallel to the north-

trending Idaho fault, while the northern part of the mine hosts the higher-grade Katie and Dora veins, which splay off the Idaho fault in a northeasterly direction.

Marathon has \$8 million in cash in its treasury and has doubled drilling every year since 2010 — both at Golden Chest and its flagship Valentine Lake project in Newfoundland, 57 km south of the mining town of Buchans. This year it plans to drill 40,000 metres at Valentine Lake.

Valentine Lake is a 50-50 joint venture with Mountain Lake Resources. Marathon is the operator.

“What we focus on are properties in underappreciated and good mining jurisdictions that have good potential for million-plus-ounce deposits,” Walford says. “We’re not looking to find something, we’re looking to expand on what’s already there and that lessens our risk.”

Marathon closed 5¢ higher on the news, at 89¢ per share within a 52-week range of 69¢-\$1.70 per share. The company has 30 million shares outstanding.