

RESOURCEWORLD

INVESTMENT OPPORTUNITIES AND NEWS **magazine**

OCTOBER/NOVEMBER 2019 | Volume 17 Issue 6

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Publications Mail Agreement No.40845066

The emerging Spences Bridge Gold Belt

ONGOING DISCOVERIES, GREAT LOGISTICS, DRAW COMPANIES INTO THE SPENCES BRIDGE AREA OF SOUTHERN BRITISH COLUMBIA

by David Duval

Perhaps it's in their corporate DNA but mining companies have a habit of looking for mineral deposits not far off the beaten track – sometimes successfully but most times not. The Hemlo gold discovery in the mid-1980s was made following a multi-decade long history of exploration adjacent to the TransCanada Highway and a stone's throw from the town of Marathon on the north shore of Lake Superior.

Spences Bridge is also located on the TransCanada Highway approximately 300 km northeast of Vancouver and it's become one of the more active exploration regions in the province following an impressive gold discovery by **Westhaven Ventures Inc.** [WHN-TSXV; WTHVF-OTC] on its Shovelnose Project.

The expanding discovery occurs within a geological and structural setting similar to other significant epithermal gold-silver districts. The company's team members have a track record of discovery including: Diavik, Polaris, Thor Lake, Silvertip and now the Spences Bridge Gold Belt (SBGB).

Westhaven is the second largest



Gren Thomas, Chairman of Westhaven Ventures, and Mark Creaghan, consulting geologist, viewing an outcrop at a road cut of the Shovelnose gold property in the Spences Bridge Gold Belt, southern British Columbia. Photo courtesy Westhaven Ventures Inc.

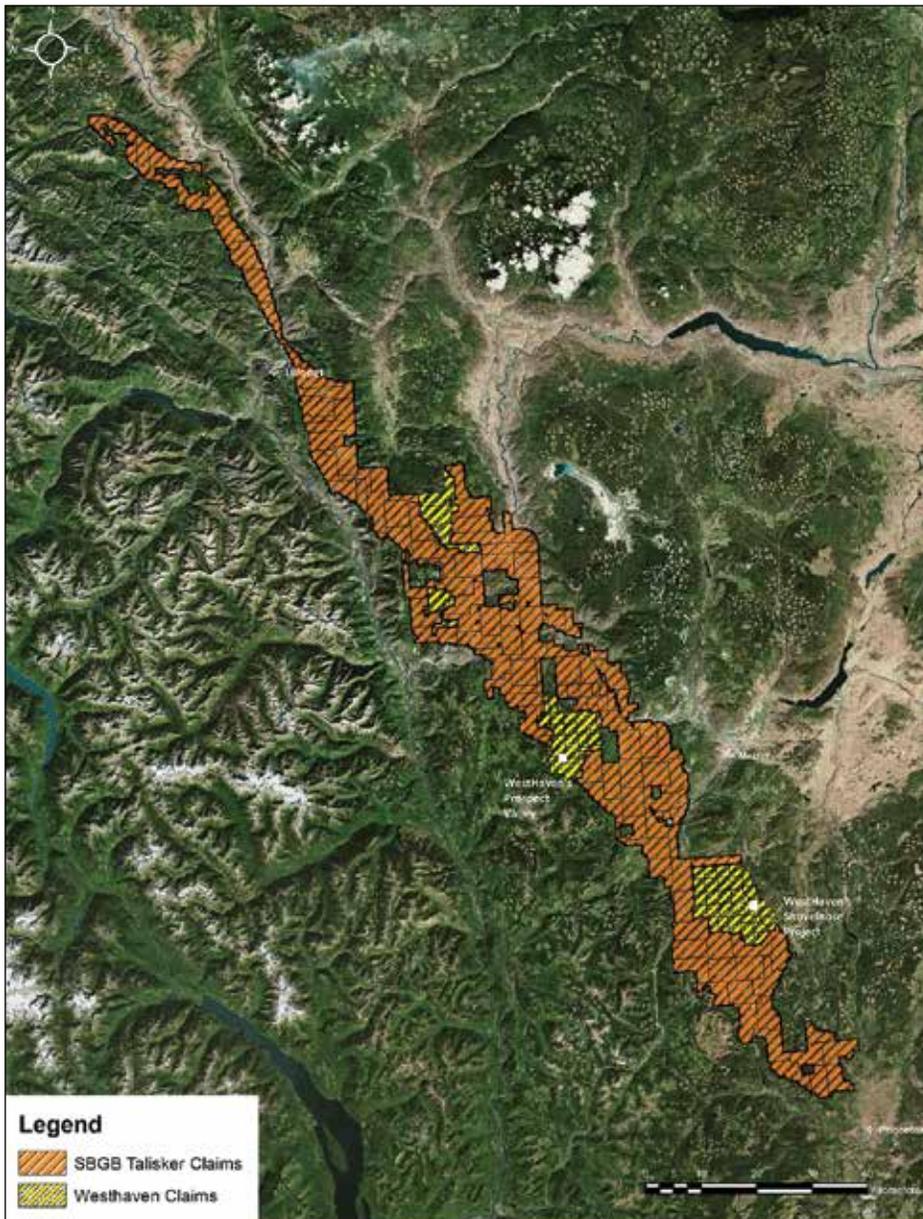


Photo-Illustration courtesy Talisker Resources Ltd.

Talisker Resources Ltd. [TSK-CSE; TSKFF-OTCQB] and Westhaven have a combined control of 86% of the SBGB (225,000 hectares). Any ground acquired by Talisker within 5 km of Westhaven's existing projects is subject to a 2.5% NSR. In addition, Westhaven has a 30-day Right of First Refusal for a three-year period for any properties outside this 5-km radius.

The discovery of coarse placer gold at the confluence of the Nicoamen and Thompson Rivers in 1857 sparked a gold rush that a year later drew an estimated 20,000 prospectors into the region, initiating what became the Fraser River Gold Rush. Many of them were lawless and hard to control Californians who wanted this part of what became British Columbia to be part of the US. (The nerve!) This event was the catalyst for BC becoming a province of Canada.

In 2005, **Strongbow Exploration Inc.** [SBW-TSXV] drilled 20.2 g/t gold over 12.8 metres, confirming the presence of high-grade epithermal gold mineralization in the SBGB. In 2011, Westhaven Ventures Inc. acquired an option on the Shovelnose gold property from Strongbow. In the same year Westhaven completed a program including soil (972) sampling, stream silt (28) sampling, rock grab (107) and rock chip (91) sampling, mechanical trenching (146.5 metres), and diamond drilling (606 metres in seven holes). Drilling tested the Mik (3 holes), Line 6 (3 holes) and Tower (1 hole) showings. Exploration success has led to further work programs since that time.

Meanwhile, drilling by previous owners on the Prospect Valley property roughly 30 km west of Merritt, has outlined an NI 43-101 compliant Inferred Resource totaling 166,000 ounces grading 0.511 g/t gold in 10,077,000 metric tonnes above a

claim holder within the belt, holding over 35,000 hectares across four gold properties – all 100% owned. These include the Prospect Valley property 30 km west of Merritt; the Shovelnose property 30 km south of Merritt; and the Skoonka and Skoonka North properties north of Lytton and west of the town of Spences Bridge, near the northern end of the SBGB.

The SBGB is a 110-km, northwest-trending, belt of intermediate to felsic volcanic rocks dominated by the Cretaceous Spences Bridge group. These relatively underexplored volcanic rocks are highly prospective for epithermal style gold mineralization.

Geologist/prospector Ed Balon, P.Geo., is widely recognized for identifying the Spences Bridge epithermal gold belt where Westhaven's Shovelnose gold project is located. He is currently Technical Advisor to Westhaven which is headed by Gren Thomas, P.Eng., Chairman, and son Gareth, President and CEO.

The Shovelnose property, which borders the Coquihalla Highway, is road accessible and close to major transportation routes and infrastructure, allowing for year-round, cost-effective exploration. Limited work has been done on the majority of the property, leaving room for additional exploration successes.

SPENCES BRIDGE



Nicola Mining's 200 tonne-per-day gold processing mill and fully-lined tailings facility located 10 km northwest of Merritt offers custom milling services to gold miners in the region. Photo by Ellsworth Dickson

cut-off of 0.30 g/t gold at the combined Discovery South and Discovery North Zones. To date, 1,641 metres of trenching has been completed, plus 57 holes of diamond drilling for a total of 8,818 metres. The majority of historical drilling on the Prospect Valley property has taken place in the centre of the claim block, along the Discovery Trend. In a 2012 NI 43-101 report prepared by Equity Exploration Consultants, the company surmised that it was "quite possible that the fault/epithermal system which controls the Discovery Zone extends across the entire property from the Bonanza Valley target in the south to the stream sediment anomalies on the northern boundary, a distance of 10 km."

At the JJ Prospect on the Skoonka Creek property, drilling of 30 holes traced a strike length of 750 metres and to a depth of 140 metres down dip. The best gold grades are in well-developed epithermal quartz veins. Lower grades (<1 g/t) are located within a more extensive zone

of moderately to strongly altered andesitic volcanic rocks. Highlights include 20.2 g/t gold over 12.8 metres (SC-008) and 28.6 g/t gold over 3.31 metres (SC-007).

More than \$6 million has been spent on the Shovelnose Project to date. Some of the drill results have been quite spectacular, including hole SN19-10 which returned 52.22 metres of 5.13 g/t gold (Au) and 17.32 g/t silver (Ag), including 18.50 metres of 11.39 g/t Au and 40.21 g/t Ag in Vein Zone 2. Other high-grade results include: 46.2 metres of 8.95 g/t Au and 65.47 g/t Ag, including 5.0 metres of 14.7 g/t Au and 215 g/t Ag. The discovery of a third vein zone at Shovelnose containing high-grade gold plus silver was announced by the company in late August, including 7.11 metres grading 9.42 g/t gold and 69.36 g/t silver (SN19-15).

Prior to 2019, Westhaven had drilled 69 holes for a grand total of 18,212 metres of diamond drilling across the entire Shovelnose property that focused in five

separate target areas: the Line 6 Zone, Mik Zone, Tower Zone, Alpine Zone and the recently discovered South Zone.

In 2019 thus far, Westhaven has completed an additional 22 holes in the south zone with two drills currently drilling. This is part of a larger 20,000 metres planned for 2019 at the property.

Numerous magnetic-low targets remain to be tested and extensive gold has also been indicated in soil samples.

Gareth Thomas stated, "The majority of the 155 km² Shovelnose property has seen very little exploration to date. Management firmly believes there will be more mineralized vein systems, as evident in the South Zone, discovered on the property."

As of June 30, 2019, Westhaven reported working capital of approximately \$1.3 million.

Not surprisingly, exploration activity in the Spences Bridge region has escalated dramatically following news of

SPENCES BRIDGE

the Westhaven discovery. With the gold market on a much welcomed recovery path, many companies are cashing up their treasuries with equity offerings in what appears to be a positive market trend for mineral explorers. A lot of the money is heading into the Spence's Bridge area where the following companies are also active:

Employing a team of 22 geologists tasked with collecting 4,500 samples, **Talisker Resources** has undertaken a Phase 1 regional geochemical program on its 100%-owned claims covering the majority of the Spences Bridge Gold Belt. The company's SBGB regional program encompasses a 230,261-hectare land package comprising its Spences Bridge, Blustry Mountain, Lola and Remington properties that together cover ~85% of the belt as well as the Tulox property and the WCGC properties.

Late last year, **Spearmint Resources Inc.** [SPMT-CSE; SPMTF-OTC; A2AHL5-FSE] announced the acquisition of its Hammernose gold prospect consisting of 5,140 acres in the SBGB. After receiving positive gold and copper indicators from a preliminary work program the company subsequently increased the size of the prospect to 5,910 acres

Independence Gold Corp. [IGO-TSXV; IEGCF-OTC] has budgeted an additional \$300,000 for exploration on its Spences Bridge area Merit and Nicoamen projects located 20 and 40 km respectively northwest of Westhaven's Shovelnose property. The Nicoamen property contains four anomalous zones identified by soil geochemical sampling and an Induced Polarization geophysical survey. The Discovery Zone, previously traced for over 75 metres, is a series of narrow, rhythmically banded, chalcedonic quartz veinlets ranging from 1 to 20 cm in width, with one vein in excess of 10 metres in length.

Trench samples returned assays of 0.5 g/t gold over 4.9 metres and 3.19 g/t gold over 0.2 metres. A composite sample of quartz vein float collected 600 metres northwest of the Discovery Zone returned 64.87 g/t gold. Mineralization at the West



On The Right Track

Lionheart Exploration is an early stage opportunity company with a public listing pending.

The Company is exploring two Gold properties in BC that were previously explored by Chevron and are located next to Westhaven's Shovelnose discovery in the Spences Bridge Gold Belt (SBGB).

In the same region the Company has optioned property in the BC Copper Belt that hosts deposits like Highland Valley, Craigmont, Copper Mountain and others.

The Company has also optioned an advanced Gold property in the Abitibi region of Quebec.

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www.westhavenventures.com

High-grade delineation continues at Premier's Mercedes Mine

Premier Gold Mines Ltd. [PG-TSX; PIRGF-OTC] provided an update on its 42,000-metre diamond drilling program at the company's 100%-owned, producing (2,000 tonnes per day) underground Mercedes gold-silver mine, located 60 km southeast of Magdalena de Kino, in the State of Sonora, northern Mexico.

The 2019 drilling campaign is currently focused on delineating new mineral resources in the Lupita Extension, while exploration is still testing potential at Neo. Highlights from August and September include, in true thickness:

- 3.6 metres of 7.18 g/t gold & 54.38 g/t silver (L19-441D)
- 1.8 metres of 24.24 g/t gold & 1.79.43 g/t silver (L19-445D)
- 3.4 metres of 10.47 g/t gold & 63.60 g/t silver (L19-448D)
- 4.4 metres of 8.86 g/t gold & 66.69 g/t silver (L19-451D)
- 3.1 metres of 13.65 g/t Au & 80.01 Ag g/t (L19-429D) at Neo, within a stockwork system similar to Diluvio

"Our Lupita Extension drilling is returning intercepts well in excess of average production grades," commented Stephen McGibbon, Executive Vice-President. "Early results from the San Martin/Neo target area suggest that our 2020 campaign will confirm the potential for significant resource expansion as well."

LUPITA EXTENSION

The Phase 2 infill program at Lupita Extension continues to increase potential resource mineralization by demonstrating the continuity of the vein to the west. Figure 1 presents the evolution of the grade thickness map from the beginning of 2019 to today. New results are enlarging the high-grade zones, as well as defining its limit, which will guide the focus of future drilling.

Drilling will delineate the mineralized footprint discovered in 2019 with a 30 m x 30 m grid over the area. In August and September, a total of 34 drill holes, representing 5,855 m of drilling, were completed. An additional 12 drill holes assay results are pending.

NEO TARGET

Neo represents a potentially new discovery at Mercedes, located 400 metres north of San Martin. It was identified as a possible extension to the Diluvio system due to geological similarity. The first hole followed up an historical drill hole, L15-258D that contained 1.53 metres of grading 6.95 g/t gold and 4.00 g/t silver. L19-429D, located 110 m to the east, successfully returned 3.1 metres of 13.65 g/t gold and 80.01 g/t silver.

Two additional holes drilled to the east had low-grade results, one of which was hosted within 30 metres of the same host rock as Diluvio. Drilling in 2020 will further test the potential to expand the mineralization up to 900 metres east to Diluvio.

Production guidance for 2019 is forecast at 75,000 – 85,000 ounces of gold and 225,000 – 250,000 ounces of silver. Production for Q2 2019 was 15,532 ounces of gold. Cash cost of production for 2019 is expected to range between US \$730 – 780/oz gold.

Premier Gold Mines is focused on creating a low-cost, mid-tier gold producer through its two producing gold mines; South Arturo in the Carlin Trend of Nevada, a joint venture between Premier (40% ownership) and **Barrick Gold Corp.**'s [ABX-TSX; GOLD-NYSE] wholly-owned subsidiary, Barrick Gold Exploration Inc., and the Mercedes Mine, and through future mine development opportunities at the Hardrock Project in northwestern Ontario (Greenstone Gold JV) where permitting and development initiatives are ongoing and the McCoy-Cove Project in the Battle Mountain-Eureka trend, Nevada. The company has about \$26.4 million in its treasury. ■

Zone is associated with a broad area of disseminated pyrite hosted in silicified and brecciated feldspathic rocks.

The Canyon and Central Zones are both untested resistivity anomalies with coincident anomalous gold-arsenic soil geochemistry. The company plans to complete detailed bedrock and alteration mapping, prospecting and confirmatory sampling of known zones, a magnetometry survey, early stage thin section analysis and preliminary environmental baseline studies. Independence is working towards earning a 60% interest in the Nicoamen property from **Almadex Minerals Ltd.** [DEX-TSXV].

Lionheart Exploration Inc., a private company, is planning to obtain a listing on a Canadian stock exchange, a prerequisite to inaugurating a comprehensive exploration program on its two 100%-optioned properties in the heart of the SBGB – Chev West and Chev North. Geologists are currently carrying out stream sediment and soil sampling on the Chev North.

The Chev claims encompass an area of 5,910 acres in two different claim blocks directly north and west of Westhaven's Shovelnose Project. In the past, Chevron conducted MAG and EM surveys along with rock sampling that confirmed the gold potential on Lionheart's claims.

While not exploring for gold in the SBGB, **Nicola Mining Inc.** [NIM-TSXV; HUSIF-OTC] offers custom gold ore processing in its 200 tonne-per-day mill where there is a fully-lined tailings facility located 10 km northwest of Merritt. The company has been successfully exploring the adjacent past-producing Craigmont copper mine.

With the kind of assays that geologists and investors hope for, the Spences Bridge Gold Belt is developing into a new and significant area play with excellent potential for further discoveries. ■

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