

Premier Gold acquires Barrick properties near Geraldton

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The prospect of Geraldton returning to its glory days of mining took another step forward Wednesday following the announcement of a major new exploration program.

"The Geraldton district is perhaps the most under-explored of the major greenstone belts in Ontario and we intend to implement a major exploration program immediately," Premier Gold Mines president Ewan Downie said in a news release.

Thunder Bay-based Premier has acquired the G-L properties from gold-mining giant Barrick Gold for \$1 million in cash, plus future royalties.

Premier believes G-L, near Geraldton's downtown, has the potential to produce up to 200,000 ounces of gold per year — perfect for a medium-size miner.

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ie commented.

Any future mine would probably start off as an open-pit operation, Downie believes.

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Premier Gold Mines president

Downie couldn't say yet what Premier will spend in 2009 on developing G-L. The company did spend \$5 million this year drilling an adjacent property under a joint venture project with Roxmark Mines.

Following three decades of

mining that ended in 1968, the G-L properties produced two million ounces of gold.

Like other operations in the province, they folded when gold prices fell to \$35 per ounce — a fraction of what they are today.

The potential for more gold is great, said Downie, because the depth at which ore was recovered in the G-L camp was only 2,000 metres.

Other Northwestern Ontario gold operations, like the Red Lake camp, have gone as far down as 7,000 metres.

The G-L "acquisition represents the culmination of a decade's worth of effort to secure what I consider to be one of the most prospective exploration/development projects in Canada," Downie added in the release.