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## Fire River Gold Lays A Lot Of Geological Love Onto Its Nixon Fork Property In Alaska

By Alastair Ford

“This is an operation that requires geological love”, says Richard Goodwin, the new Vice President, Mining at Fire River Gold. He’s talking about Fire River’s Nixon Fork operation up in Alaska, where, to put it politely, some of the previous owners were less successful than others. Former owner Nevada, for example, had two underground operations going, one at the Mystery mine, and one at the Crystal mine, and managed to mine both successfully for five years at an average grade of 42 grammes per tonne. Subsequent owner, St Andrews Goldfields, however, only kept the Crystal mine going, and the grade dropped to 17 grammes per tonne. At that time St Andrews seemed to be pressing the self-destruct button all over the place, and Nixon Fork was no exception. St Andrews, it seemed, just couldn’t get it to work. And so the project languished, looking for someone to provide it with a little geological love.

It’s been getting that in spades, lately, and not just from Richard Goodwin. Harry Barr, the Canadian entrepreneur who stands behind Fire River, as well as Pacific North West Capital and El Nino Ventures, orchestrated a deal in June last year whereby Nixon Fork was acquired by Fire River, and on pretty favourable terms too. Harry saw the weakness of the market as an opportunity, and, in May 2009, when he brought Fire River onto the Canadian National Stock Exchange, was one of the only people anywhere in the world to be list a mining company anywhere. That listing was hard graft, but it’s paying off now. Fire River has subsequently moved onto the TSX-V, and is getting closer to putting Nixon Fork back into production, thanks to Richard Goodwin’s geological love, combined with a couple of further fundraisings along the way. Indeed the company is currently well into the latest raise, having already closed off C\$3 million of an already announced C\$10 million brokered deal arranged through Loewen, Ondaatje, McCutcheon Limited (LOM). That money will go towards a 20,000 metre drill programme designed to prove up resources at the two existing underground operations, and to identify new targets which may, in the longer term, end up hosting future mines similar in nature to Mystery and Crystal.

If a mine is going to be in receipt of “geological love”, there’s no better man to be getting it from than Richard Goodwin. Alright, he’s not a geologist per se, but that’s no problem. It’s not always the best idea to have geologists running mines, as they often find the rocks too interesting and lose sight of the money side of things. Richard is an engineer, and not just any old engineer. He’s an underground mining engineer, with 25 years experience in the business, a substantial amount of which was spent operating at the sharp end of things. Latterly he’s managed the Canadian office of Snowden, and taken on a few Vice President, Mining roles.

His experience, as he emphasizes more than once, is exclusively underground. "I've done 50 of these things", he says, when contemplating the development opportunity at Nixon Fork, although by that he means 50 development plans, not 50 mines. Still, he's done enough mines to know what he's looking at, and what he wants to do. With a skarn project of the kind exemplified by Nixon Fork, he explains, where the mineralisation isn't disseminated in an even fashion, the trick with the mining is to find what he calls the "screaming bonanza grades". And at Nixon Fork that means 100 grammes per tonne, or more.

Not an easy ask, which is why the company has a team of seven geologists. "It needs very close attention", continues Richard. "It needs a lot of face mapping. A lot of chip sampling. A large staff of geologists." The message is that taking your eye off the ball at Nixon Fork could prove fatal. The example of previous owner St Andrews stands as a salutary lesson to all on that score – their work, it seems was littered with errors, many of which will now be corrected as the new money comes in. Old core will now be recoded, and the number of identified rock types reduced from the current 300 to a more manageable number. The drilling of an additional 12,000 metres underground will allow for an updated resource to be released to the market by the end of the year. At the same time, Richard will work up a new mine plan.

With the addition of a further C\$15 million, on top of the C\$10 million currently in the pipeline, Richard reckons either one or both of the old operations at Nixon Fork could be returned to production without too much further ado. A CIL plant is already in place, and more than half-way completed. The planned initial production target is 50,000 ounces per year at a cost of around US\$500 per ounce, although that output may rise in the longer term if the company drills up any good looking additional targets and starts to build more mines. In the meantime, in the more immediate term, there's the possibility that production could get underway even sooner, as there are plenty of old tailings on site that could now be economic, given the high gold price, and given a management that will be careful about how it gets processed. Some adjustments to the mill will be required before the tailings can go through it, and Richard Goodwin reckons it's 50:50 as to whether that will happen before ore from either Mystery or Crystal starts going through too. "It'd be nice to have two streams of revenue", he says. "That'd be the real cat's ass!" With the right sort of love, anything's possible.