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## Fire River wants output in 12 months from past-producing Alaska mine

By: Liezel Hill

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TORONTO (miningweekly.com) – Vancouver-based junior Fire River Gold plans to be producing gold from its Nixon Fork mine, in Alaska, within the next year, CEO **Harry Barr** said in Toronto this week.

The company is working on a preliminary economic assessment for operating an underground mining operation at Nixon Fork, which produced gold between 1995 and 1999, and then again briefly in 2007 and 2008, he said at an seminar hosted by Proactive Investors.

The mine has been on care-and-maintenance for the last two years.

The preliminary assessment, which is scheduled for completion by the end of the year, will function as a sort of "in-house feasibility study", and is being monitored by consulting firm Snowden, Barr said.

Fire River expects to publish a resource estimate for the underground mine in September, followed by a final update to the figures at the end of 2010, which will include the 28 000 m of drilling being undertaken this year.

The Nixon Fork mine was acquired in 2009 from Pacific North West Capital, and includes an operational 200-t/d-plus mill, as well as a new carbon-in-leach (CIL) circuit, which was designed and bought in 2008, with the installation 60% completed.

The mine also has a fleet of mining vehicles, a self-contained diesel power plant, maintenance facilities, drilling equipment, an 85-person camp, office facilities and a 1,2-km-long landing strip.

The underground mining and processing operations at Nixon Fork are fully permitted and bonded, Barr said.

During the 1990s, the operation mined at impressive average grade of 42 g/t. Production during that period was 137 749 oz of gold and 2,1-million pounds of copper, with additional silver credits.

But with production costs of more than \$260/oz, the low gold prices at the time rendered the operation uneconomic.

Barr said that he is hoping to keep costs below \$600/oz, which would have sounded laughable just three years ago, but would produce a pretty healthy margin in today's environment.

The company has been working hard to understand the geology at Nixon Fork, including by reinterpreting some historical data.

### TAILINGS REPROCESSING

Besides starting up underground production, Fire River also has plans to reprocess historic tailings at the site from previous mining.

The company will have an economic assessment completed in the next couple of months, and expects that the tailings could contain around 30 000 oz to 40 000 oz, Barr said.

"The tailings has gold in it because the previous operators mined at about 42 g/t got about an 83% recovery."

The company believes it could reprocess the tailings with the CIL plant, once it has been fully installed and commissioned, he said.

Fire River has C\$11-million in cash, which, together with proceeds from warrants, should be enough to cover the next 12 months and put the Nixon Fork mine into production, Barr said.

Shares in Fire River Gold slid 4,35% in Toronto on Friday, to C\$0,66 apiece by 15:05 on the TSX Venture Exchange.

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