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Fire River Gold Gets Ready To Break Through The Alaskan Silence With The Sounds Of A Fully Functioning Mining Operation

By Alastair Ford

If the silence up at the Nixon Fork gold mine in Southern Alaska seems slightly eerie, then at least there's nothing sinister about it. It's not the calm before the storm, even if the Alaskan winters do come early, and the clouds are already rolling in grey and low as August draws to a close. It's not even a lurking sense of menace at the hidden, but well-attested presence of bears in the woods nearby. No, the silence, and its associated eeriness derive from two distinctly separate, but benign factors. One: despite Nixon Fork's setting at the centre of hundreds of square kilometres of mountainous and wooded Alaskan wilderness, there are no birds in the trees. The birds know how harsh Alaskan winters can be, and they've already embarked for warmer climes, even as summer draws to a close. The first snow falls have already landed on the higher mountains. The second reason that it's eerily quiet is that, despite the presence of nearly US\$140 million worth of plant and equipment, Nixon Fork is at present lying idle.

New owners [Fire River](#) Gold have plans to change all that, though. Big plans. For a start, although the silence is eerie, it's not total. Many tens of metres underground, at the upper levels of a well developed old mining complex, a solitary drill rig rumbles away, punching into the rock at a 45 degree angle. The core it pulls up will be assayed, and the data fed into the spreadsheets that will form an integral part of the preliminary economic assessment that [Fire River](#) hopes to deliver on Nixon Fork by December. Across the camp, halfway along the private runway, another drill rig is turning too. There's more noise too, as the three planes that [Fire River](#) has chartered to carry in assorted fund managers, analysts, and journalists come into land. The object of the visit, arranged by [Fire River](#) president Harry Barr and his capable staff, is to allow all interested parties a good close-up look at Nixon Fork, and all the potential it has to offer.

First off, it's worth pointing out that if you were starting from scratch, there might never be a mine at Nixon Fork. It's remote, the metallurgy is complex, and the current resources don't amount to much more than a hill of beans. However, there's no doubt that there gold at Nixon Fork. Former owners Nevada Goldfields and St Andrews extracted more than 100,000 ounces at an average grade of around 42 grammes per tonne, and the drill core that St

Andrews left behind before it imploded in the general morass of the global financial crisis, has lately been showing that there's still a lot more ounces in the ground.

How much remains to be seen, but Harry Barr, who's an old hand in the mining game with several successes to his credit, is very clear in his mind about what sort of operation he wants to create. "It's going to be the kind of mine where you drill every year and you'll find 50,000 ounces. And we think we can keep this going for a very long time. As long as we can keep three to four years' worth of mine life ahead of us, we could do US\$25 million per year." He pauses. "Now, that's not something you can buy the stock on", he adds, with a smile, "but it's a very high grade mine, it's got good widths, and there's tremendous infrastructure with this project".

It's that last factor that's the key to the economics at Nixon Fork. Estimates vary as to how much St Andrews sunk into Nixon Fork in its efforts to make the mine pay, but US\$100 million is a good, round, ballpark figure to be going on with. The power plant that's already on site consists, according to Harry, of "three of the most beautiful looking gen sets you've ever seen". Those will produce more than enough power at an estimated C\$1.50 per litre of fuel flown in, to power the entire operation, including the jaw crusher, the cone crusher, the rod mill, the ball mill, gravity separator, shaker table and concentrator, all of which are on site, and all of which will crash nicely through the eerie silence once production gets going next year. There's plenty to be done before that, though, and vice president, mining Richard Goodwin knows he's got his hands full. But he's an experienced man, too, having cut his teeth over the years with Westmin Resources, MRDI Canada, Snowden, and Redcorp Resources. He admits that there might be what he calls "choke points" in the existing plant which may require attention once it gets up and running, but what really seems to pain him is not the challenge of getting the plant up and running, but having to admit, as an engineer, that Nixon Fork is a "geologically driven mine". That admission produces a smile on the face of Larry Hillesland, manager of geology, who by way of mitigation for the complexity of his geological explanations offers to his listeners some nice core from the gold-copper skarn that predominates across Nixon Fork.

To date, two mines have been worked, the Mystery mine, and the Crystal mine, and neither seems to have covered itself in glory. Grade control was poor, in spite of the high mining grades, and cost rocketed. Harry Barr reckons that with a bit of effective management and a team that's able to draw on the lessons of the past, costs could come down to around US\$650 per ounce. "But we don't know that yet. That's what these studies are going to tell us in December", he says. "And then we've got to go out and mine it and see what it really is." The company will need more money before then, but not for a little while, as there's around C\$10 million already in the bank. When the time to raise funds comes, there ought to be plenty of interest, as gold in a safe jurisdiction is increasingly attractive. Investors may want to see [Fire River](#) open up the way to proving up more ounces before they wade in with their chequebooks, but negotiations to acquire the rights over the neighbouring tenements are ongoing, and will be concluded, according to Richard Goodwin, on a timetable that suits [Fire River](#).

So, it'll be quiet for a little while yet up at Nixon Fork, but any fans of serenity should enjoy it while it lasts, as the crushers will be crushing and the mills will be turning before too long,

and, with any luck, sizeable quantities of gold will be moving through the plant on their way to being converted into Canadian dollar cashflow. Watch this space.

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