

# Terraco Gold is off to a solid start in Idaho, Nevada

BY TRISH SAYWELL

When you have an exploration team led by Charles Sulfrian and Ken Snyder — geologists who were instrumental in the discovery of major gold mines in Nevada, including **Barrick Gold's** (ABX-T, ABX-N) Goldstrike mine and **Newmont Mining's** (NMC-T, NEM-N) Ken Snyder "Midas" mine — it's pretty likely you're off to a good start.

Today both men are helping junior explorer **Terraco Gold** (TEN-V) find more ounces in the U.S. at a mix of advanced and early-stage gold projects, such as the Almaden property in Idaho and its Moonlight project in Nevada.

Terraco Gold acquired the Almaden property in western Idaho, 125 km north of Boise and 19 km east of Weiser, through its merger with Western Standard Metals in January. At the time the project had a National Instrument 43-101 resource estimate based on 60,655 metres of historical drilling and 887 drill holes of 864,000 oz. gold in the measured and indicated category and 84,000 oz. gold in the inferred, all within 92 metres of surface.

Measured resources totalled 9.8 million tonnes grading 0.75 gram gold per tonne and indicated resources measured 29.25 million tonnes grading 0.65 gram gold, while inferred resources stood at 4.78 million tonnes grading 0.67 gram gold.

"There's nearly one million ounces of gold at surface and we bought this asset for less than twenty dollars per ounce gold, which we think is pretty strategic," Todd Hilditch, Terraco Gold's president and chief executive, says. "The reason we felt Almaden had additional upside beyond the current resource was that only twenty-four of the holes ever went beyond five hundred feet deep."

Another reason was that almost all of the historic drilling on the deposit, which outcrops at surface, had either been reverse circulation or rotary air blast drilling. "The style of drilling that was used may not have given an appropriate indication of how much gold was there, because they were either washing it away with water or blowing it away with air," Hilditch continues. "The only way to do this accurately is with core drilling, and we've used nothing but core since we started drilling it ourselves a few months ago."

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Hilditch's goal is to drill well beyond the 100-metre level to get a better handle on the geology and an idea of what the stratigraphy looks like. He also hopes to look for the feeder zones that would have brought all that gold to surface.

Now Terraco is drilling down to depths of 550 metres and recent assay results look promising, with highlights of 42 metres of 2.2 grams gold per tonne, 53 metres of 1.08 grams gold, including 27 metres of 1.59 grams gold, and 12 metres of 2.22 grams gold. Another intercept returned 85 metres of 0.84 gram gold.

"I think it's going to turn out to be a great property for us," Sulfrian, Terraco's vice-president exploration, says, noting that so far the company has completed about 4,500 metres of core drilling. "The assays we've gotten back so far are proving things out — that what we believed was there in terms of the resource certainly is there. We're seeing too that there is opportunity for deeper zones of mineralization."

Sulfrian explains that the deposit is part of a very near-surface hot springs mercury system, or a low-sul-



At Terraco Gold's Almaden gold project in Idaho, from left: lead consulting geologist Ken Snyder; vice-president of exploration Charles Sulfrian; and Discovery Investing's Michael Berry.

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fidation epithermal system, similar to the Ken Snyder mine, the Hollister mine and the Hishikari mine in Japan. All three mines are characterized by large, low-grade halos of mineralization that can form near surface and under near-surface caps due to hot-spring activity. But the mines are also famous for high-grade feeder zones that are at depth below the system.

"Our idea is not only to improve the grade and therefore the number of ounces at surface and prove up a resource that we can take through to development, but also to test for these high-grade feeders," Sulfrian ex-

(CDM-T, CDE-N). The Moonlight property also adjoins the north side of the Spring Valley project, a porphyry-diatreme hosted gold system beneath pediment gravels, and a joint venture between Barrick Gold and **Midway Gold** (MDW-V, MDW-X).

Sulfrian says Moonlight has "compelling" drill targets and is "very similar" to Spring Valley. "The trend of mineralization that is in the Humboldt or Rochester trend is basically like a string of pearls that starts at Relief Canyon going up to Packard Flat through to the Rochester mine and then to Spring Valley, and we believe we're certainly along that same strike," Sulfrian says.

"A lot of the mineralization and deposits that occur along this trend have structural controls in common, principally the Black Ridge Fault," he adds. "That is a regional or district scale structure that appears to control mineralization certainly at the Spring Valley deposit and the Coeur d'Alene Rochester mine. We have recent mapping within the last several months . . . that indicates the same structural controls at Rochester and Spring Valley come up into the property that we control at Moonlight. Our mapping geologist has also mapped the same host rocks at surface as at Spring Valley, and we've had some pretty good sample results in the area of the Black Ridge fault and some of the same host rocks, although they are in parallel structures."

Sulfrian also notes that samples run up to 11 grams gold per tonne. "We certainly have some mineralization in the area, the same structure and the same host rocks, and to me that's a pretty potent combination . . . We've also got other indications that I think will help us really narrow down our drill targeting . . . it's an exciting time."

Sulfrian, who has been Terraco Gold's vice-president of exploration for the last six years, played a lead role in discovering the Post Oxide deposit in 1982, and co-discovered the Deep Post deposit with Keith Bettles in 1984. Ken Snyder is Terraco's consulting geologist.

At presstime Terraco Gold's shares traded at 30¢ apiece within a 52-week range of 15.5¢-51¢.

plains. "There is an area to the north, called Stinking Water, that suggests such feeders exist. We've seen intercepts that are multiples of the average grade of most of the deposit. These are intercepts in broken, brecciated quartz veins and silicified sandstone that are up to ten times greater than the average grade."

Finding the real high-grade bonanza stuff won't be easy, Sulfrian admits. "Some of these feeders can be displaced off to the side," he explains. "Hollister is a reasonable example because there are some near-surface sinters, but the high-grade feeder zones were upwards of a half-mile away from the original open pit. So it's not like you just drill right below the cap and you're going to run into this stuff. You have to do your homework and do a lot of drilling."

Meanwhile, Sulfrian is setting up a drill program that will begin at Terraco Gold's Moonlight project early this fall with a 4,500-metre goal before the first snow falls. The Moonlight project in the Humboldt Mountains near Lovelock, Nev., is 8 km north of the Rochester silver mine owned by **Coeur d'Alene Mines**