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Anglo Swiss samples high grade gold in old Kenville workings

Vancouver - Anglo Swiss Resources' (ASW-V) underground vein sampling program at the historic Kenville mine in southeastern British Columbia is showing that the old gold mine is far from depleted.

The latest set of results included 56 vein samples and two grab samples from the upper and lower walls of the South Yule vein. At South Yule the company sampled 95 metres of exposed quartz vein face along a 32-metre vein drift and its associated stopes and crosscuts.

The whopper result came in sample 25, which returned 2,283.27 grams gold per tonne and 203.2 grams silver per tonne from a vein measuring 45 cm across. The samples were chipped from veins at 1.50-metre intervals and across the full thickness of the vein, resulting in samples weighing almost 3 kg. Sample 25 weighed in at 3.4 kg.

Other high grade results from South Yule include 43.43 grams gold and 15.8 grams silver from a vein 45 cm thick; 43.08 grams gold and 15.8 grams silver from another 45-cm vein; and 20.84 grams gold and 32.6 grams silver from a 70-cm vein.

At the end of June Anglo Swiss reported sampling results from its 178-metres program in the North Yule vein drift. The samples were primarily taken along the footwall portion of the vein because it was previously stope-mined above the drift.

Sampling results from North Yule include 303.3 grams gold and 114.8 grams silver across a 20-cm vein, 150.1 grams gold and 58 grams silver from another 20-cm vein, 162.9 grams gold and 86.3 grams silver from a 15-cm vein, and 233.5 grams gold and 73.3 grams silver from an 8-cm vein. The widest vein sampled in the North Yule program, which measured 60 cm across, returned 111 grams gold and 83.3 grams silver.

Anglo Swiss has now completed its initial sampling program of quartz vein exposure along the Main Haulage 257 level. The company is now working to develop a geological model as a basis for a resource estimate. There are five higher levels in the mine but 257, the lowest level, remains open at depth. Once the model is complete the company says it will initiate a "major underground and surface drilling program" in excess of 12,000 metres.

The vein systems of the Kenville mine comprise a northwest-trending series of veins within mafic to ultramafic dioritic intrusive rocks. Historic production at Kenville sourced ore from five main veins that lie within an east-west distance of just 520 metres. The area was originally staked in 1888 and from 1890 to 1954 the Kenville mine produced 2 tonnes of gold and 861 kg of silver from 183,138 tonnes of ore averaging 11 grams gold. Even though the property has sat idle since, it still remains among B.C.'s top 30 largest gold producers.

Anglo Swiss acquired the Kenville property, which sits just 10 km west of the town of Nelson, in 1992. In 1995 Teck Resources (TCK.B-T, TCK-N), earning in through a joint venture

agreement, conducted mapping, geophysical surveys, and 2,500 metres of drilling. The work returned interesting results, such as 1.03% copper, 8.18 grams gold, and 0.044% molybdenum over 8.7 metres, but Teck soon dropped the project.

Anglo Swiss returned to the area in 2007, completing a new induced polarization survey and 1,300 metres of drilling that returned two high-grade gold-silver intercepts. The next year the company drilled 14,000 metres in 45 holes divided between the west and east sides of the property. Both sides returned numerous high-grade intercepts, prompting the company to re-open the old mine.

In particular, drilling to the west demonstrated that a new discovery, known as the Eagle vein system, consists of at least four high-grade quartz veins that have been traced for 700 metres along a southwestern strike. Anglo Swiss is planning to extend the 257-level drifts towards Eagle to allow underground drill testing of the new area.

A metallurgical scoping study on Kenville mineralization recently returned positive results. A composite sample of mineralized rock from six different locations was used to determine grindability and the efficacies of gravity concentration and flotation techniques. The results indicate that the composite sample, which assayed 18 grams gold, 0.94% lead, and 0.25% copper, released 98% of its gold using standard flotation into a concentrate grading 155 grams gold, 355 grams silver, 12% lead, and 2.5% copper. By combining gravity and flotation, gold recovery came in at 93% with an average concentration grade of 200 grams gold, 18% lead, and 3.3% copper.

With this information Anglo Swiss determined the modification work needed to get the 200-tonne-per-day mill running again. The company plans to have the mill operational by the end of the third quarter. Initial mill feed will come from the extensive waste rock piles left from earlier production.

And interestingly, Anglo Swiss has also proven up a surface sand and gravel resource at Kenville totalling 16.5 million tonnes. The high-quality sand and gravel, which will be processed into aggregates, can likely fetch a price of \$15 to \$18 per tonne.

The company has completed initial engineering specifications and identified appropriate equipment for a 200-tonne-per-hour aggregate processing operation. The company has targeted a late summer start for the operation, which requires an amendment to its existing quarry permit.

On the latest set of sampling results from Kenville Anglo Swiss' share price gained 3¢ to close at 36¢. The company has a 52-week trading range of 6.5¢ to 47¢ and has 110 million shares outstanding.

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