

## **Wolfden Resources (TSXV-WLF)**

*The following editorial is extracted from the November 2012-1 Issue*

Wolfden is a newly-listed gold exploration company which brings together a management team the members of which provided big gains for Resource Opportunities subscribers in two previous deals. Both of those deals resulted in takeovers by large companies.

Ewan Downie, chairman, has a distinguished 25 year career in the exploration and mining industry. He was the founder of the original Wolfden Resources and was a key member of the exploration team that made the discoveries that saw that company taken over by a larger company, resulting in big gains for shareholders. Ewan's exploration success has been recognized with a couple of prestigious industry awards. Ewan is currently president of Premier Gold Mines (PG-TSX), another success story in the making.

Donald Hoy, president and CEO, was the vice president exploration of Freewest, directing the programs that delineated the Clarence Stream gold deposit and the discovery of the chromite deposit that led to the takeover by major miner Cliffs Natural Resources in 2010. He then played an important role in the Canadian exploration program for Cliffs. The directors bring considerable industry experience and expertise.

Wolfden's main project is the Clarence Stream gold project in southern New Brunswick. Don Hoy, as VP exploration for Freewest, directed exploration work at Clarence Stream for several years. Don and Ewan, recognizing the exploration potential at Clarence Stream, acquired it as the center-piece for the re-incarnation of Wolfden. The company has a couple of other exploration projects which are earlier stage but also offer considerable upside potential.

Previous work at Clarence Stream outlined about half a million ounces with excellent scope to expand on that resource. The present work is intended to push out the limits of the known resource and also test other targets, some of which have already been shown with earlier drilling to carry gold values.

Clarence Stream was the primary focus for Freewest until that company discovered a large chromite deposit in northern Ontario. As they delineated the chromite deposit, a junior company joint venture partner advanced Clarence Stream, earning a 30% interest. Freewest was the operator for that work. Freewest was eventually acquired by Cliffs Natural Resources, a

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# **RB** LAWRENCE ROULSTON'S **RESOURCE OPPORTUNITIES**

large mining company, in January 2010.

Don Hoy, working with Ewan Downie, cut deals with Cliffs and the junior to gain full control of Clarence Stream. The deal sees Cliffs become a significant shareholder of Wolfden.

The Clarence Stream project is well located in southern New Brunswick. There is road access and a power line on the property. The Mt. Pleasant tin-tungsten mine, located 20 kilometers away, was developed by Billiton in the early 1980s but operated only briefly as a result of metallurgical complexities and a declining tin price.

I visited the Clarence Stream project during the time that Freewest was drilling it, noting the favorable location with regard to mining and the nearby infrastructure. Also apparent was the large-scale exploration potential on the extensive property which covers a large and well-mineralized geological system. Freewest's efforts were constrained by a lack of capital, and then the focus on the chromite project. No work has been done for the past three years while the project was under the control of the major.

The gold at Clarence Stream is characterized as intrusion-related quartz vein hosted deposits, associated with the large St. George batholith, a granitic intrusion. The resource estimate includes several lenses in two main areas, mostly near surface. Drilling to date includes 428 holes (54,000 meters). An indicated resource of

820,000 tonnes at 6.9 grams per tonne hosts 180,000 ounces; the inferred resource of 1.2 million tonnes at 6.3 g/t hosts a further 250,000 ounces. (Those figures are based on cutting the higher grade values to 30 g/t. The uncut resource total is somewhat higher.) The resource calculations also delineated 7.3 million pounds of antimony which could add considerable value to the project.

Metallurgical testing has shown good recoveries (better than 90%) using standard gravity and cyanide leaching. The earlier work focused on the shallow portion of the deposit with the intent of using open pit mining. The cutoff grade used in the earlier work was 3.0 g/t, based on a gold price at the time of \$1000 per ounce. With the higher gold price and the potential for a larger scale operation, the project is being re-evaluated at a 1 g/t cut-off, which would add considerable ounces within the present resource areas.

The present work is looking for further near surface resources. In addition, the information is also being re-assessed with the aim of extending the deposits to depth. A number of lenses have been identified by previous drilling, but there has not yet been sufficient density of drilling to delineate a resource in those lenses. Infill drilling will seek to delineate resources.

Building on the extensive database of existing information, Wolfden should be able to quickly expand the Clarence Stream resource. In the



context of a much higher gold price than prevailed during the earlier work, and with an experienced and successful management team, Wolfden's Clarence Stream gold project should grow quickly to a size that will attract interest from larger companies.

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