

Golden Reign Resources Discovers Potential New Gold Zone in Russian River Bed

By John Hurst

When Zoran Pudar returned to his Vancouver head office this week, his briefcase contained lots of good news about the ongoing exploration program on the company's two prospective gold properties located in Far East Russia – across the Bering Strait from Alaska. The vice-president of exploration for Golden Reign Resources Ltd. (TSX-V: GRR) was returning from a field visit to the company's properties. At the Dorozhni property, which covers 8.8 square km, gold mineralization is thought to be the source of 150,000 ounces of historically mined placer gold.

"In approximately two weeks time, I expect to receive assay results for samples collected during my visit to the properties," he told Resource Investor on Thursday, "and we are still collecting some samples from the Butarni property. In total, 18 samples were sent to Alex Stewart (Assayers) Ltd., a British lab in Moscow."

The Russian government has limited research data on the properties in the Magadan Region, under agreement to Golden Reign and more extensive information has been coming out only in recent weeks. Most of the work had been done following World War II and in the late 1980s. The property is held under a 20-year comprehensive exploration-mining licence.

"From what we know about the Dorozhni property," Pudar said, "they were chasing some high-grade quartz veins. Typically, the gold is coarse. I had a chance to spend several days there and focused on the eastern part of the property where we have recently completed 1.5 km of trenching. We sampled some of those veins, which in 1946 had yielded over six kilos of gold (approx. 20 ounces)."

He said that high-grade gold mineralization occurs at the intersection of northwest orientated structures and the intrusive, hosting quartz veins. Of particular interest is the newly exposed mineralized sediments and breccia zone discovered in a river bed.

Pudar says that this newly discovered breccia zone appears to be 50 by 70 metres wide. "It is the type of target I was looking for. In fact, I brought home some really nice samples, just for show and tell. This new zone has really great potential, but the riverbed has to be totally exposed and properly sampled. There is rich sulphide mineralization within the zone, which is often associated with gold. This zone is considered a primary target for continued exploration."

The first phase of exploration at the Dorozhni property was initiated this fall. Dorozhni, one of Golden Reign's two highly-prospective gold properties at Magadan, is located at the headwaters of Dorozhni Creek. Previous exploration work focused on identifying and testing five separate gold-mineralized quartz veins at or near surface. The veins, which have been traced for 380 metres along strike, average between 0.4 to 2.4 metres in width and occasionally expand up to 17 metres wide. The distance between the veins ranges from 15 to 50 metres. Gold distribution is extremely irregular, with the highest reported grades resulting from two separate channel samples, both of which were collected from Vein No 1, of 6,322.2 g/t over 0.1 metres and 2,678.2 g/t over 0.5 metres.

Golden Reign believes that the property has potential for a low-grade bulk tonnage gold deposit. Exploration will test the sheeted vein system within the granite intrusive to evaluate the gold content between veins, with the intent of determining an average gold grade from the vein swarm and the intervening intrusive.

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The company has established an exploration camp, mobilized equipment and upgraded an existing access road. It has built a new two-km road to provide access to previously untested mineralized zones within the property boundaries. Comprehensive geological mapping, including reconnaissance traverses, and grab sampling have been completed. Assay results are pending and will be released as they become available.

Magadan, one of the world's richest mining areas, has about 2,000 placer gold deposits, 100 gold ore deposits and 48 silver deposits. Total probable gold reserves in the Magadan Oblast are estimated at 4,000 tons (128,000,000 ounces).

Pudar, who has been active in Russia for over 10 years, is a graduate of the University of Tuzla, Bosnia and Herzegovina in the former Yugoslavia. He worked at the Geoinstitute of Sarajevo, Bosnia, and for several Canadian public and private companies involved in mineral property exploration.

In late Summer, work also began on Golden Reign's Butarni property, 9.3 square km situated approximately 310 km north of Magadan, the capital city of the province. It is underlain by clastic sediments, which have been intruded by a biotite granite stock with dimensions of approximately 3.0 km x 1.6 km. Five known mineralized quartz vein zones are outlined within the stock, with a length ranging from 700 metres to 1,500 metres. Major veins are between 0.1 and 1.5 metres in width, 100 to 150 metres in length and are accompanied by zones of parallel quartz veinlets. Previous grab and channel sampling returned values from 1 g/t to 334.4 g/t, with an average grade of 21.3 g/t gold from 45 selected grab samples and 29.6 g/t gold from 22 channel samples.

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