

Grenville Gold Corp. Works all Angles at Silveria

By Katherine Young

Focused primarily on its Silveria Project located 80km west-northwest of Lima, Peru, the Grenville Gold team [TSXV: GVG] is multi-tasking. On the one hand, the company is shopping for a milling partner to process mineralized rock and ultimately create cash flow, and on the other it's resolving a recent conflict with High Ridge Resources, a company with neighboring concessions in Peru. High Ridge has recently taken Grenville to task about a road that provides access to High Ridge's property. According to recent press releases, High Ridge maintains that the road is a public one and that Grenville is preventing High Ridge access to High Ridge's properties. In an interview with ResourceX, Grenville President Paul Gill emphasized that he feels it is important to resolve the conflict with High Ridge, saying, "[the dispute] can't be ignored."

Demonstrating a pragmatic optimism, Gill talks about win-win scenarios, "We need to resolve these issues and be realistic about the fact that it is an issue. We are not ignoring it. We're going to address it and we think both parties would benefit from a resolution."

While Gill and his team determinedly wade through the necessary formalities to settle the issues with High Ridge, Grenville is progressing toward its eventual goal of production on Silveria. A partner providing a mill will be an important next step to secure cash flow from the project, however, even more important for the Grenville team at this point is to determine the value of the mineralized rock they send through the mill. "Right now the most important part is getting the information back on how valuable that mineralized rock is. Once you're milling and getting bulk samples back you can tell from twenty tonnes of material – that's a lot of material to process – let's see how much precious and base metals we can get out of it," Gill explained.

Without 43-101 compliant estimates in place yet, Grenville has been gleaning information from historical data, which, though promising, are not deemed to be reliable for resource calculations.

The Silveria concessions cover an area that is home to four past producing mines, the Silveria, Millotingo, Germania and Pacococha mines. Historical records for Germania and Silveria do not exist, however records for Millotingo and Pacococha mines show that the mines began producing in the 1962 and 1964 respectively and both mines closed in 1992. Like many mines around the world at the time, low metal prices contributed to the closings, however in this case, terrorist activities by Shining Path guerrillas created pressure that led to the closure of the mines.

Gill reads the premature closures as good news for Grenville in today's mining-friendly Peru because the mines still had a significant amount of life left when they were closed. "Those mines shut down in the process of production. They closed because of terrorism issues and safety issues in the area." For Grenville that means one thing—unexploited potential.

Grenville Gold's August 2007 43-101 report on the Silveria Project gives us an idea of that potential. About the Millotingo mine it says, "A total of 2.6 million tonnes of mill feed is reported to have been produced...at an average grade of 16 troy ounces per tonne of silver with gold as a by-product...from which a total of 95,000 tonnes of silver concentrates is reported to have been produced, which contained about 39 million ounces of silver and 90,000 ounces of gold..." The same report noted that historical information from Millotingo gave evidence of a remaining 661,000 tonnes grading 12.8 troy ounces of silver per tonne, at the time the mine closed, and cautioned that an unknown amount of that resource has since been depleted through artisan mining.

Historical figures for the Pacococha Mine, which are not 43-101 compliant, report that between 1964 and 1991 8.4 million oz of silver was recovered from 2.7 million tonnes of mill feed. The reserve estimate from historical resources at Pacococha in 1991 was 449,019 diluted tonnes at an average grade of 4.49 oz/tonne of silver. Historical reports for the Pacococha mine also reported copper, lead and zinc reserves.

However, there is another way of looking at the remaining potential on the Silveria Project. Gill expands on potential silver reserves at the Silveria Project, "there are a total of 44 veins on the property. When Millotingo, Pacococha, Silveria and Germania mines were in production, they only extracted mineralized rock from 14 of the 44 veins." Gill also points out that there are still tailings on the property, "and they have considerable amounts of silver still in them. They would be a very good target to test to see if they could be reprocessed and further stuff could be extracted from them."

In addition, previous production at the mines returned high grades, however, Gill stresses that future production could return even higher grades. "The further you go down the system, the better chance you have of finding mantos, finding porphyry or finding further types of disseminated deposits that will have high-grade ore, high-grade mineralization, and high amounts of tonnage." With these possibilities in mind, it'll be rewarding to watch as the story unfolds, and we find out what's really in the ground at Silveria.

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