

La Verde Grande grows Grander for Yale Resources

By Anne Fletcher

An old shaft recently re-discovered is casting a whole new light over a long-abandoned Mexican mine-site.

Yale Resources Ltd. (TSX.V: YLL), in an on-going sampling program at the La Verde Grande copper mine in north-western Mexico, has turned up skarn mineralization in an adit about 80 metres south of the main mine entrance.

That adit, running east-west, was thought to be nothing more than an access, says company president Ian Foreman. With the mine workings trending north-east, the discovery of mineralization widens the potential deposit in three directions.

More intriguing, though, is a shaft about 50 metres in. Yale crews measured down 80 metres without touching bottom.

In an interview, Foreman suggested the shaft may be the one described in a report from December, 1919, with a depth of 370 feet (112 metres), passing through a 50-foot body of ore, with evidence of mineral showing in the last 125 feet and, most significantly, with evidence of sulphides.

"We haven't seen a single grain of sulphides in all the workings and all the samples we've taken," Foreman said, and that suggests the historical shaft may have opened onto an untouched ore body.

The depth alone wouldn't have been a hindrance to mining. "There are many instances where the Spanish went down to the water table," he said. But when they hit sulphides, "they didn't have the technology to get the gold and silver out of the rocks."

Even a couple of centuries later, the Hermosillo Copper Company, which worked the mine in the early 1900s, would have been stymied.

With no trace of sulphides to date, "we know then there's a really good chance they didn't continue mining," Foreman said. "The ore would have been too difficult to extract."

Shallower shafts on the site have been explored by someone dangling on the end of a rope, but Foreman balks at the thought of sending anyone down 80 metres or more.

"We're really wrestling with 'how do we find out what's there?'," he said.

"Are there other workings or are there other levels?"

However, invaluable information could come from one deep drill hole down the side of the shaft. That may well happen sometime next year, he said.

"We now have a much greater level of confidence that we're going to be able to increase the size of the deposit and we can do that with drilling a single hole," Foreman said.

La Verde Grande is the largest of six historical mine sites within Yale's La Verde Project, 45 kilometres northwest of Hermosillo, Sonoro, Mexico. Sampling work has now moved from La Verde Grande to those other sites.

The project covers 2,640 hectares, and, in the continuing search to delineate an ore body for a multi-million tonne open-pit mine, Yale recently staked another 440 hectares on the northeast corner. The new property contains a large porphyry target - La Sierrita Porphyry - with anomalous copper, zinc, and molybdenum values, drilled in 2000 by Freeport McMoran.

"We're now a long way along the road" to outlining an open-pit site, Foreman said. "We've duplicated old assay results. We can see mineralization in the walls (of La Verde Grande). There's potential beyond the workings for areas we can't see, for good mineralization."

The assay results for more than 370 samples taken so far will start dribbling in over the next couple of months, he said. Until then, the best numbers in hand are pre-NI 43-101 figures indicating an historic resource of just under half a million tonnes, grading 2.29% copper, 98.54 g/t silver and 0.38 g/t gold. That rock, before costs, has a value of \$228.04/tonne, worth roughly \$100 million in-situ.

"We're now confident we can multiply that several times," Foreman said.

Work is also ticking along on Yale's three other Mexican projects. On the Urique Project in the Chihuahua-Sonora gold belt at the northern end of the Sierra Madre, Yale has committed to the second year of its option with EXMIN Resources Inc. (TSX.V: EXM). "We want to be drilling early in the new year" in the north, Foreman said, while exploration in the south will start before Christmas.

On its wholly owned Carol property in southern Sonora State, complete assay results from a wide-spaced sampling finished in July need to come in before Yale can narrow its exploration area.

The company has sampled a large skarn body measuring 1,100 metres by 400 metres in the southern part of the property. The Carol property is about 6 km north of Frontera Copper Corp.'s Piedras Verdes mine, with proven and probable reserves of 191 million tonnes grading 0.36% copper.

And Yale has earned its 65% interest in the Zacatecas venture in the Zacatecas Silver District in central Mexico. The finalization of the joint venture agreement with IMPACT Silver Corp. (TSX.V: IPT) is now in the hands of lawyers, Foreman said. If the paperwork is finished by December, Yale will be back working on the properties in the new year.

With a \$1.25 million financing completed at the end of August, Yale has enough money for now to keep all that work going. "We're fine until the spring," Foreman said.

About the Author

Resource Investor is an internationally distributed newsletter about emerging junior resource companies. Sign up for a free 1-month trial to our newsletter and get instant access to news and investing tips that have helped many of our readers make more money. <http://www.resourceinvestor.com>

Source: <http://www.tntarticles.com>