

As Bayfield Waits for Results, the Rainy River Analogy Improves

By R. Sato

When it comes to value-priced juniors, Bayfield Ventures Corp. (TSX.V:BYV) is increasingly approaching the top of the list. Bayfield is trading at around \$0.50 per share with several well-situated properties. The company is currently pursuing some promising new opportunities with strong indications of future gains in the highly stable political/geographical area of Northwestern Ontario known as Rainy River. Three of Bayfield's properties are located within Ontario's Rainy River greenstone belt, which is known to be rich in valuable minerals. The Rainy River Resources (TSX.V:RR) project was initiated with the acquisition of 100% interest of the Nuinsco Resources Ltd Richardson Township properties. Prior to the acquisition, a Nuinsco Resources exploration program identified two "Blind" gold deposits near the edge of the largest gold in bedrock anomaly ever recorded in Canada's Superior Province. (This oldest of crusts on the North American continent is composed of small terranes, or belts of rock that came together during the archean eon from 2.5 to 4.0 billion years ago.) Recent discoveries in the area are reinforcing the impressive magnitude of possibility in the region.

President of Bayfield Ventures, Don Huston, has recently stated that, "The Rainy River area has the potential of being a major source of untapped major resources. There is solid reason to believe that this area will be the next major gold discovery, perhaps even the largest discovery in all of Canada."

Such confidence is likely due to the fact that another company Bayfield Ventures has a close working relationship with, Rainy River Resources (TSX.V:PR), recently announced some exciting drill hole results with very strong gold and silver values. These promising drill holes are immediately adjacent to Bayfield Ventures' property holdings, which are less than 200 meters to the west, known as "B" block and Burns block. Rainy River Resources has indicated that it will announce a much-anticipated NI 43-101 resource estimate by the end of the year.

Bayfield has been drilling in the area for two months, a task made more difficult by the nature of the land it holds, much of which is overlain by swampy terrain, more easily accessible in the winter months. To date, Bayfield has completed approximately 3,500 meters with 14 holes on three properties in the Rainy Rivers area. Management expects to drill an additional 3,000 to 4,000 meters this winter. Bayfield recently announced a 2 million unit financing at 50 cents a share to raise one million dollars, indicating a serious commitment to following up successes that its counterpart, Rainy River Resources, has had next door.

With results still pending from drilling, one can look to Rainy River Resources for an analogy of the mineralization Bayfield's properties may hold. For example, on November 5, Rainy River Resources announced it had intersected a 4.0-metre wide semi-massive sulphide horizon grading 25.67 g/t Au and 184.14 g/t Ag in a step out hole south of the ODM Zone. On November 13, Rainy River Resources announced that drilling on ODM/#17 Zone continued to intersect strong gold intervals of 11.5 meters grading 5.37 grams per ton gold (ODM Zone) and 8.0 Meters grading 5.50 grams per tonne Gold (#17 Zone East).

Bayfield properties are immediately adjacent and less than 200 meters away from the #17 Gold Zone, close to the #433 Gold Zone, and the new ODM Gold Zone discoveries which, as reported by Rainy River Resources, have demonstrated intercepts of 23.5 meters of 10.6 g/t Gold and 22.6 meters of 17.0 g/t Gold.

With the price of gold still in bull mode, many investors are seeking further protection from the tumbling US dollar in various gold investments. Amid volatility in the financial markets, gold has been gaining popularity among investors, not least of all because of its status as a safe haven. Over the last 12 months the price of gold has increased from around \$600 per ounce to \$820 per ounce. Many expect a shift to over \$1000 per ounce in the coming year.

"Continued dollar weakness, strengthening oil prices and safe haven buying triggered by broader credit market concerns should buoy (metal) prices higher in the forthcoming sessions," Barclays Capital analysts noted recently.

The deposits currently outlined by Rainy River Resources confirm the area as a major gold camp still in the infancy of exploration, which is well poised to mature into one of the great global gold finds. This new gold camp, with a well-developed infrastructure, accessibility and abundant mineral resources could create substantial shareholder growth for Bayfield investors. Considering that Bayfield shares are currently 10 times less expensive than Rainy River Resources' and with only 21.5 million shares outstanding, in spite of being situated next door to virtually the same mineral-rich geology—it's hard not to look at Bayfield as a case of Rainy River déjà vu.

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