

True North Gems Rings in the New Year with the Discovery of a 139-Carat Sapphire

By Doug Hadfield

Investors in True North Gems (TSX.V: TGX) were treated to a rare gift this Christmas past when the company reported the discovery of a new sapphire prospect complete with a 139 carat blue sapphire on its Beluga sapphire property in Nunavut, Canada. The prospect is located on the south shore of Baffin Island, approximately six hundred km west of the company's Greenland ruby prospects.

The news may have taken some investors off guard, who have been watching closely as the company works toward a positive preliminary assessment of its 110 sq km Fiskenaasset ruby project on the southwest coast of Greenland.

The Beluga sapphire property is actually two mining claims comprising 9.9 square km near the hamlet of Kimmiru. TGX acquired the property in November 2003 through an option agreement with Inuit prospectors who earlier discovered the sapphire occurrences.

The Beluga sapphire occurrence is a metamorphic-type deposit – essentially an ore deposit formed under great pressures and high temperatures, where alteration under these conditions twists, warps and folds the earth and can form gemstones.

To date, twelve gem occurrences, including blue, colourless (sometimes called white), pink and yellow sapphire, have been discovered on the Beluga sapphire property over a 2.7 km strike zone.

The Kikturiaq occurrence is located approximately 1.2 km northeast of the main Beluga occurrence. The samples collected from the surface exposure included several sapphires. The largest is an almost complete crystal weighing 27.85 grams or 139.24 carats.

According to company documents, the large sapphire crystal is a barrel-shaped prism with a colourless core and a bright to dark blue outer rim. The gem occurs in three fragments. The largest of the fragments weighs 18.1 grams (90.6 carats), measures 15 mm in diameter and 20 mm in length.

“Clarity ranges from transparent to translucent,” states the report. “Brittle fracturing, overprinted by recent surface weathering, affects the exposed sapphire crystals.”

This is a most significant discovery for True North Gems. The site had been the focus of some previous exploration activity, but was not mentioned in the 2005 NI 43-101 technical report entitled “2005 Report on Field Activities for the Beluga Sapphire Project.” This new discovery “represents the highlight of the 2007 exploration program now completed on the 18.5 km² Beluga sapphire property.”

True North Gems' technical team found nine discrete sapphire showings along the 225 metre, arc-shaped Kikturiaq occurrence. The total sample weight collected in 2007 from Kikturiaq was estimated at 1.3 tonnes.

“We are very encouraged that our specialized exploration expertise continues to yield promising targets, such as the Kikturiaq occurrence, which contain commercial-sized sapphires exhibiting mineralogical characteristics similar to the high quality, colourless and blue gem sapphires previously recovered from the Beluga occurrence”, said Greg Davison, True North Gems' Vice President Exploration. Davidson is also head of the planning and execution of the sapphire exploration and quality control programs at the Beluga Project.

Davidson and his colleagues have also identified four new sapphire occurrences on the Beluga property, including the Imakkuutuq occurrence, which contained six sapphire showings, located 500 metres southeast of Kikturiaq.

With grab samples and six mini-bulk samples from throughout the Beluga project now in the hands of SGS Minerals Services in Lakefield, Ontario, analysis is ongoing.

TGX Acquires Additional Exploration License in Greenland

Due to a string of major successes, the Fiskenaasset Ruby Project in Greenland has been the primary locus of TGX's successes to date. True North has hit ruby occurrences in fifty percent of the holes the company has drilled – an admirable accomplishment, to be sure.

Fiskenaasset is located on the southwest coast of Greenland, about 160 kilometres south of the capital Nuuk. The property's three claim blocks cover 110 square kilometres in which True North stands to earn a 100% interest.

Greg Fekete, President, and VP of Exploration Greg Davison, along with CEO and Chairman Andrew Lee Smith, anxious to expand land holdings in the area, last year applied to the Bureau of Mines and Petroleum (BMP) and the Joint Committee on Mineral Resources for Greenland and Denmark for an expanded mining permit. The company announced in December that it had received a license to explore an additional 713 km², bringing the total exploration package in Greenland to 823 km².

True North started work at Fiskenaesset in 2004. A 3,000 kg bulk sample from the Siggartartulik occurrence produced 144 grams gem quality ruby per tonne and 3.3 kg near-gem per tonne. Later the company would produce similar gem and near-gem grades from five other occurrences.

The most important ruby occurrence found to date in Greenland is True North's Aappaluttoq occurrence in the Fiskenaesset Ruby project. It was here at the end of 2005 that the company first discovered hydrothermal rubies, which are clearer, rarer and more valuable than those formed metamorphically or metasomatically.

A 100-kg sample from Aappaluttoq yielded 533 grams of gem material (including 253 grams of gems greater than 8 mm across) and 550 grams of near-gem material. The largest ruby weighed a staggering 88 grams, or 440 carats.

That stone has since been carved into the Kitaa Ruby, a 302 carat ruby depicting detailed scenes of oceanic lore.

Work in 2006, included a 30 tonne sample from Aappaluttoq and proved (once again) better than the previous work. The company reported 1,937 g/t of gem and 2,563 g/t of near-gem stones.

While True North Gems' management (and investors) wait for gem grade results from Nunavut, it is clear that 2008 holds much in store. After a three years of exploration in which subsequent years have so outpaced each forerunner, this new year may hold the key that investors have long awaited in North America's only producer of coloured gemstones – namely, sales (and revenue) of gem quality rubies, sapphires and emeralds in profitable quantities.

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