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Glass Earth sees clear potential in New Zealand



GLASS EARTH GOLD

Grazing on Glass Earth Gold's Muirs Reef gold project in New Zealand.

VANCOUVER — New Zealand is an uncommon destination for gold exploration, but the low-profile presents opportunities for smaller and determined players.

Glass Earth Gold (GEL-V), for one, has put together more than 10,000 sq. km of claims largely centred around two of the three producing gold mines in the country.

On the North island, the company has a 35% interest in a joint venture with **Newmont Mining** (NEM-N) on the WKP West prospect, 5 km northeast of the Golden Cross mine that produced 634,000 oz. gold between 1991 and 1997. The Golden Cross mine is 10 km north of Newmont's Martha mine.

The open-pit Martha mine sits conspicuously in the middle of the Waihi township like a massive sinkhole. And

while the company has long held it up as a model of social responsibility, there is little room to expand it. The open-pit and underground operations are expected to close shortly. But with nearly 10 million oz. gold produced from the mine and significant infrastructure investments, Newmont continues to explore the area to the tune of \$9 million a year.

Some of that money has gone to WKP, where a \$1-million follow-up exploration program is underway. Last year, holes 24–26, collared and fanning out from the same pad, respectively returned 156 metres grading 1.6 grams gold per tonne from 126 metres depth, 15 metres carrying 9.3 grams gold from 221 metres and 178 metres averaging 1.05 grams gold from 115 metres downhole.

This year, 200 metres southwest, hole 27 returned 152 metres grading 1.16 grams gold from 129 metres depth, and included several metre-long high-grade intercepts. Hole 28 was drilled from the same collar to test further south, with results pending. WKP west has been identified over a 750-metre length, a 100-metre width and a 250-metre depth. Newmont has also drilled holes 29 and 30 to the southwest to test the WKP south target, with results also pending.

At the Muirs Reef project, 65 km southeast of the Martha mine and 100% controlled by Glass Earth, the company has been working to test the extensions of known mineralization. Recent trenching results returned 24 metres grading 5.72 grams gold, 28 metres averaging 1.78

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grams gold, 23 metres carrying 1.13 grams gold and 14 metres at 1.81 grams gold. The trenching has hit significant quartz veining across more than 450 metres of the project's southwest extension. The company is now launching a drill program to prove up the identified mineralization and establish a compliant resource.

Glass Earth's other big land play is on the South Island in the region of **Oceanagold's** (OGC-T) Macraes gold project, the largest in the country with about 185,000 oz. annual gold production. Glass Earth has several hard rock targets in the Otago region that it established after doing extensive geophysical work, including a 13,000-sq.-km airborne survey, looking for structures on the Otago schist belt that could host Macraes-style mesothermal gold.

The company identified the Serpen-

tine, Ophir and Game Hen targets, and started a modest drill program on its Serpentine project in late March with results pending.

To help fund exploration, Glass Earth has also taken on a large alluvial land package to produce gold in the near term. The scale of the operation is small, producing 2,500 oz. gold a year that it splits fifty-fifty with a local partner and operator, but the operation is helping to reduce losses and the company reports it could expand production to 7,500 oz. a year by 2012.

Glass Earth's share price has climbed from around 20¢ in early June to a 52-week high of 61¢ on July 25. The company has 60 million shares outstanding, and at the end of March had \$3.8 million in cash.

Kent Exploration (KEX-V) is the only other Canadian-listed junior drilling in

New Zealand. The company has a sizable land package near Oceanagold's Reefton mine, the only other producing gold mine in New Zealand.

The company recently drilled 5 holes on its 27-sq.-km Alexander River project 25 km southeast of Reefton. Of the five holes, two were abandoned due to broken ground, two hit no reportable results and the fifth hit 1 metre grading 2.03 grams gold and 2 metres at 1.4 grams gold, from 229 metres and 251 metres downhole. At Kent's 472-sq.-km Lyell gold project, 40 km northwest of Reefton, recent sample results included a high of 6.87 grams gold.

Superior Mining International (SUI-V) has several properties in the country and is renegotiating option terms on others, with work currently focused on mapping and surveys.