

NEWS

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The Big Boys May Be Chasing Little Moneta Along The Destor Porcupine Fault Zone Before Long

By Charles Wyatt

One thing to get straight at the outset, little Canadian listed Moneta Porcupine has no intention of becoming a gold producer in its own right. It is sticking to its last as an explorer and is building ounces in one of Ontario's most prolific gold zones - around the Porcupine and Golden Highway camps east of Timmins. It is a bit like a very long drawn out game of Monopoly and recently Moneta crowned its efforts by taking its interest in the Windjammer South, where it had acquired a 50 per cent interest from Newmont last year, up to 100 per cent. It was like buying Mayfair and completing the most expensive set of properties on the Monopoly board.

In all **Moneta Porcupine** now owns or controls 10 gold zones along 12 kms of strike, which is equivalent to about 10 per cent of the Destor Porcupine Fault Zone all the way from Timmins to the Quebec border. The whole section is around 130 kms in length and it has produced over 72 million ounces from 26 separate mines to date. The chairman Rod Whyte, an Australian who is a well known figure on London's mining scene, compares it with a strategic land position between Kalgoorlie and Boulder in Western Australia. It has the same political stability and access to infrastructure, but it would also have taken a long time to assemble: which is probably why Moneta has been active in the area since 1980.

Windjammer is at the eastern end of the Destor Porcupine Fault and immediately to the west of it is the Southwest Zone property. Then there's the Michaud joint venture where the partner is Acrex Ventures on the 55 zone. Moving further to the west is the township of Matheson and then comes the Nighthawk Lake property followed by the North Tisdale property which is very close to Timmins itself in the Porcupine Camp. All the properties have access to power and water and there are mills nearby whose owners will doubtless require a consistent supply of ore.

It's an interesting position to be in and the ounces are building up steadily. The Southwest zone has a historic resource calculated by Barrick back in 2005 of 2.4 million tonnes grading 5.98 g/t to give 624,500 inferred ounces of gold at a 3 g/t cut-off, but it is on the next door Windjammer property that the interest is focused. This property is divided into Windjammer South and Windjammer North as Noranda made two gold discoveries on the property in the late 1980s. Windjammer South lies less than a mile to the east of Southwest Zone and these two, plus the 55 Zone, form the "Southern Corridor" of the Golden Highway Project and represent a strike length of approximately four kms with gold mineralization occurring within altered Timiskaming sediments along the entire length. This is fairly low grade, near surface and big in tonnage but there is said to be higher grade at depth in a different geological setting. Deep drilling, however, is expensive.

Now we are getting to the point of the whole exercise. Last June an initial resource estimate to NI

43-101 standards was made for Windjammer South which gave it an inferred resource of 2.1 million tonnes at an average grade of 2.3 g/t for 154,000 ounces at a cut-off of 1 g/t. Windjammer South remains open to both the east and the west of the mineralized strike, and is completely open at depth, so it is on strike from Southwest Zone and probably from 55 Zone also. Last month, soon after increasing its holding in Windjammer to 100 per cent, Moneta released a new resource estimate for Windjammer South which upgraded a significant amount to the indicated category. The outcome was 4.49 million tonnes at 1.51 g/t for 218,2212 ounces of indicated gold and 2.654 million tonnes at 1.50 g/t for 127,992 inferred ounces at the same cut-off as the initial estimate.

The question now is what credibility can be attached to any value put on a total of 970,000 ounces of gold resources split between Windjammer South and the Southwest zones, bearing in mind that the resource in Southwest is not to NI 43-101 standards. It may be bang on the button and more will be known soon as Moneta plans to drill on this Zone later in the year and an acceptable resource estimate will result. Even before this Rod Whyte reckons that some notice should be taken of little Moneta as it is valued at less than US\$10/ounce in terms of market capitalization and a fair amount of activity is now being seen along the Destor Porcupine Fault Zone from companies such as Lake Shore Gold which is soon to start production at its Timmins mine, Apollo Gold whose Black Fox mine will open next month and, of course, Goldcorp, which is all over the Porcupine Camp like a rash.

Last summer Kevin Snook bowed out as chief executive and it looks as if the new man, Ian Peres, sees an interesting future for the company as he took a goodly slug of stock when John Larche, a non-executive director sold 10.8 million shares in November. Since then Ian, an accountant by training has overseen a modest flow-through placing and now reckons the company has enough in the till to keep going for at least a year. Not a lot of bean counting is needed at the moment so presumably he will spend his time building up the story of Moneta as the next resource estimate approaches, and providing regular briefings on operations by other companies in the area. Once investors are convinced that these two old gold camps are coming back to life, the rating of Moneta will improve no matter what value is put on the current resources.

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