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## **Firestone Ventures Starts To Benefit From The Way In Which It Anticipated The Problems Of 2008**

By Charles Wyatt

Timing is the name of the game for junior mining stocks and [Firestone Ventures](#) certainly seems to have got its timing right during the market collapse at the end of last year. Chief executive Lori Walton foresaw problems when the asset backed commercial paper scam first hit North America back in 2007 and the zinc price appeared to be going nowhere. It was then that she decided to spin-off her company's Canadian assets, as they appeared to contribute no value to Firestone's share rating, and cut back on expensive drilling and any other non-essential expense. She certainly did not go to sleep as the land position in Guatemala was increased last December around the 100 per cent owned Torlon Hill zinc-lead silver project and it includes a zinc-copper-gold skarn prospect which Lori believes has potential for porphyry copper-type mineralization at depth.

The Canadian assets had been spun off earlier in 2008, but not in a simple way as Sherwood Copper, now [Capstone](#) Mining, also threw some assets into the pot and acquired shares in the new company as a result. Lori Walton was in London last week with Greg Hayes, who is not only financial director of [Firestone Ventures](#) but chief executive of the relatively new company which was christened [Northern Tiger](#) Resources. In another article in the next day or two we will take a close look at [Northern Tiger](#) as one of its foremost assets is in the Dawson Ranges in the Yukon where a second gold rush seems to be taking place. This is reflected, in part, in the share price which has advanced from C12 cents to C19 cents in a matter of days. It is still somewhat short of the level at which it listed, but this move will do no harm to Firestone .

Guatemala has long been favoured by Lori as a country in which to operate. It is in central America and since its civil war ceased in 1996 it has carried out democratic elections with the most recent in 2007. Free trade agreements have been signed with the United States and the rest of Central America through CAFTA and [Firestone Ventures](#) has the advantage of being a front runner as far as junior explorers are concerned. Last November the first resource estimate was published for Torlon Hill and it showed combined measured and indicated resources in the oxide zones of 1.89 million tonnes grading 10.55% zinc equivalent at a 3% zinc equivalent cut-off to give 467 million lbs of zinc equivalent metal. Lori Walton was pretty happy with this as it confirms that Firestone's total exploration cost for every lb of zinc equivalent defined to date is only C1 cent/lb. You cannot get much lower than that.

She reckons there is plenty of scope to enlarge the resources at the original Torlon Hill project as well as in the enlarged land package which makes Firestone the dominant landholder in two historical zinc-lead silver mining districts. She also points out that Torlon Hill should be simple to develop as the mineralization is at or close to surface and easily accessible by road. She will also have been encouraged by the fact that the price of zinc is on the increase with a further advance of US\$53.25/tonne last week to US\$1,580.55/tonne which compares with a price of US\$1,050 in

December last year. Lead has also turned for the better as it rose by US\$87/tonne to US\$1,667.50/tonne which, in fact, is no less than a 75 per cent increase on the low point last year.

Firestone is therefore continuing its programme of metallurgical testwork to determine optimal processing options for the zinc oxide mineralization at Torlon. In her recent update on progress Lori announced that the next round of metallurgical testwork is being finalized and prioritized subject to budget requirements. In an interview with Minesite, however, she made it quite clear that drilling was back on the menu as she is determined to increase the resources significantly before carrying out a pre-feasibility study. The immediate priorities, therefore are to add to the tonnage at a high grade and in this context it is worth remembering that last July a significant expansion of high grade zinc was reported on the west side of Torlon Hill with one intersection of 4 metres at 16.15% zinc. Also, once the metallurgical testwork has been completed decisions will be made on the most suitable method of processing the ore.

Firestone has exhibited good management skills and control during a difficult time and is now poised to reap its reward with metal prices moving in the right direction. By the time it gets round to raising capex they should be significantly higher, but Lori Walton is open to any suggestions for partnerships, farm-ins or whatever as long as they are clearly in the interests of her patient shareholders. The newsflow should now accelerate and this should sustain the share price which has quadrupled since March so someone appreciates the efforts of Lori and her team.