

of the \$720 million capital cost in line with its joint-venture agreement with View Resources Ltd. A significant proportion of this will be allocated to decline development and re-installment of surface infrastructure around the historical site, previously mined by BHP.

"Carnilya Hill will employ up to 77 people and will generate very substantial tax and royalty revenues," Mincor's managing director, David Moore, said. Government royalties will be payable at an effective rate of 3.85%, consistent with its four existing nickel mines in the Kambalda District.

Mincor has estimated Carnilya Hill's ore reserves to contain 483,500 t at an average grade of 2.9% nickel for 14,000 t of contained nickel metal.

Mine output will be via short long-hole stoping which Mincor believes will take full advantage of the competent basalt hanging wall, a feature unique to Carnilya Hill in Kambalda.

Mincor has also agreed a long-term off-take agreement with BHP Billiton under similar terms to those at its existing operations. Based on recent nickel price forecast by the Royal Bank of Canada, the project should generate A\$200 million (US\$168 million) net cash before tax, with an initial rate of return of more than 600%.



ATLAS Iron Ltd has entered into a memorandum of understanding (MoU) with Fortescue Metals Group Ltd to ship its iron-ore and magnetite concentrate to port facilities at Port Hedland.

The Pilbara Infrastructure Pty Ltd (TPI), Fortescue's wholly-owned subsidiary, will take the iron-ore and magnetite concentrate from Atlas' Pardoo project 75 km east of the port in Pilbara, WA.

"Being able to load iron ore through the TPI ship loader until the new government facility is completed will minimise our impact on dust and road train traffic through the town of Port Hedland," said Atlas' managing director, David Flanagan.

Subject to environmental approvals, shipment of iron ore from the Pardoo project is due to start in the March 2008 quarter at a rate of 1 Mt/y, rising to 3 Mt/y by 2010. TPI also agreed to provide port-handling services for up to 10 Mt/y of magnetite concentrate from Pardoo



and rail haulage and port services for up to 3 Mt/y of iron ore from the Abydos DOS project, 100 km south of Port Hedland.

The Pardoo project has estimated indicated resources of 5.6 Mt at an average grade of 57.3% iron and estimated inferred resources of 4.9 Mt at an average 56.9% iron. The deal will be in place for 12 months (to March 2009), or until construction of an expanded government facility, due to begin exporting in 2009, is complete.

Atlas aims to produce a resource estimate and proposed development for the Pardoo magnetite project in July 2007. It has completed "insufficient exploration" to provide a resource estimate for the Abydos project at present, but is optimistic it will do so in the future.

Fortescue and Atlas have agreed to negotiate commercial terms for the services of TPI regarding iron-ore shipment from Pardoo within 60 days of signing the MoU.

Firestone exploration update



Right: Smithsonite from Torlon Hill (above)

FIRESTONE Ventures Inc has indicated that it will spend up to C\$2 million (US\$1.8 million) on exploration at its Torlon Hill zinc project in Guatemala from December 2007.

Firestone plans to extend the drilling programme at Torlon to the west and south after discovering a new zone of mineralisation during its March 2007 drilling programme (*MJ*, April 6, p7). Zinc mineralisation at Torlon Hill occurs in smithsonite and lead carbonates.

The company also aims to start grass-root exploration on the surrounding 50 km² Saturno and Saturno II concessions acquired from Goldcorp Inc in March. Firestone signed a formal option agreement with Goldcorp to earn a 100% interest in the concessions for a cash payment of US\$5,000 and incurred

exploration spending of US\$250,000.

Firestone holds an option to acquire 100% of the Torlon property through a private deal with the current owners La Cooperativa de Produccion Industrial Juventud Minera, RL. The concession is used for artisanal lead mining from which Firestone has also acquired the zinc-containing waste material.

Firestone has appointed Watts, Griffiths and McQuat (WGM) to oversee the calculation of an initial resource estimate for Torlon which is to include results from the December-quarter 2007 drilling programme. The company, trading on the TSX Ventures and the Frankfurt stock exchanges, said it was fully funded for the upcoming exploration and drilling programme.

Namoya summit and mining deposits within a 2 km shear zone at the Namoya project.

LA MIEL RESULTS

Eurasian Minerals Inc has announced assay results from its Safane La Place prospect on the La Miel gold project in northeastern Haiti. Assay results from trench excavations have identified an epithermal gold system, hosting a central zone depleted in barite. Results from the trench excavations have also extended the mineralised system to a width of 350 m. Better results from the exploration include:

Trench	From (m)	Intercept (m)	Au (g/t)
LM-1	0	243	1.71
LM-4	9	75	1.19
LM-5	30	69	0.81

SUNRIDGE UPDATE

Sunridge Gold Corp has announced further drilling results from the Emba Derho volcanogenic massive sulphide deposit on its Asmara project in Eritrea (*MJ*, September 8, 2006, p9). Results from the drilling programme are being used to extend the known mineralised zone at Emba Derho. Significant drilling results include:

Hole	From (m)	Int (m)	Ag (g/t)	Cu (%)	Zn (%)
ED-140-D	73.70	79.50	7.15	0.05	2.81
ED-142-D	218.30	8.20	7.59	0.32	3.47
ED-145-D	146.89	127.19	7.46	0.30	1.91
ED-151-D	87.15	150.30	8.87	0.38	2.50

SUB-SAHARA RESULTS

Australian-based Sub-Sahara Resources NL has announced drilling results from its Koka gold project in Eritrea, East Africa, extending the known mineralisation by 100 m to 600 m (*MJ*, May 25, p10). The extended mineralisation was not included in the resource estimate of May 23 and potentially adds further resources to the Koka project. Better results from the programme include:

Hole	From (m)	Intercept (m)	Au (g/t)
ZARD031	99	6	20.58
ZARD035	94	12	10.85
ZARD042	40	8	9.63
	87	33	11.32