

Dufferin Mine on track to start gold production

REMO ZACCAGNA BUSINESS REPORTER



In this November photo, mine manager Doug Keating stands at the entrance of the Dufferin Mine near Sheet Harbour. (AARON BESWICK / Truro Bureau / File)

It has been a hectic few months for **Ressources Appalaches** as it prepares to start production at its Dufferin Mine project near Sheet Harbour.

The Rimouski, Que., company received an industrial approval from the province in November that allows it proceed with gold production, and subsequently secured the final \$7.5 million instalment of a \$10-million loan from New York financing firm **Lascaux Resource Capital Partners, LLC** in December.

Alain Hupe, Ressources Appalaches' president and chief executive officer, said the ensuing months have been spent refurbishing the site and installing the necessary equipment to start production by the end of April or early May.

“We are excited, everybody is here working very hard and we’re very pleased to be able to do that,” Hupe said in an interview Monday.

About 30 employees are now working out of an office set up near the mine, with as many as 75 people slated to work there. Hupe said he is also looking to buy a home in the area.

Once production starts, it will take up to three months to get to full capacity, about 300 tonnes daily, he said.

The company is also looking at the potential to extend beyond Dufferin.

Exploration work has been conducted at the company's Chocolate Lake and Miller Lake properties, which are eight and 20 kilometres east of Dufferin.

"The gold-bearing structure of Dufferin has the potential of extending over many kilometres," Hupe said. "And for the long-term life of the project, we decided to do a small drilling campaign and some small geophysical surveys to follow this structure."

A ground magnetic survey and mapping was done at Chocolate Lake, followed by the property's first exploratory borehole, and some veins similar to those at Dufferin were discovered.

Samples were sent to the laboratory for gold analysis and a second drilling site will be determined based on those results.

"Next year, we will continue drilling there and go further and further," Hupe said. "It's a brand new zone that we want to open."

A total of 59 kilometres was surveyed at the Miller Lake property, although drilling has not yet been conducted.

Depending on the results, both properties could see production start in the next five or 10 years, Hupe said.

"We know what the typical signature of the Dufferin Mine deposit is, so that's why we are gradually (surveying and drilling) on all our properties to extrapolate the extension of Dufferin Mine, or to find another structure parallel to Dufferin to find some gold."

Exploration work on both sites cost about \$75,000, Hupe said, with half of that subsidized by the provincial government through a grant.