



All hail Northwest

Michael Vaughan
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IF GRADE is king in gold mining, then junior Northwest Resources has staked its claim for the throne this morning by handing down a maiden 250,000oz resource for its Blue Spec Shear project in Western Australia, with 60% of the estimate at a grade of more than 46 grams per tonne gold.

The resource is made up of high-grade underground resources from the Blue Spec and Golden Spec deposits along with lower grade material from the Green Spec and Camel Creek prospects, which are amenable to open pit mining.

Blue Spec contains a resource of 103,810 tonnes grading 46.3gpt gold and 3.2% antimony for 154,571oz of gold and 3363t of antimony. About 83% of the resources are classified as inferred with the balance indicated.

The resource comes from a depth of 320-470m at the start of Anglo American's historic underground workings. Drilling will continue in early 2007 targeting depths of 470-620m and the company is confident of increasing the resource to "well in excess of 300,000oz at Blue Spec".

Golden Spec's resource is 33,950t at 32.2gpt gold and 1.4% antimony for 35,161oz and 482t of antimony. Some two thirds of the resource is inferred, with the remainder classified as indicated.

Green Spec hosts a resource of 102,614t grading 3.2gpt gold and 1% antimony for 10,526oz of gold and 1067t of antimony. The four deposits at Camel Creek contain 46,089oz at an average grade of 2.4gpt gold with about two thirds of the resource indicated.

Northwest managing director John Merity told MiningNews.net only preliminary metallurgical work has been conducted on the ore but the antimony did not raise any issues as commonly believed in the industry.

Anglo American achieved recoveries of 89-91% gold and 60% antimony during its operations from 1989-91 and Merity said he was quietly confident of achieving slightly better recoveries with modern metallurgy.

Anglo's old plant remains onsite though Merity was unable to provide a likely cost or timeframe for refurbishing the facility at this stage.

Drilling continues at Blue Spec and the Red Ribbon Shear, a structure recently discovered 1km north of the Blue Spec Shear structure that hosts Blue Spec, Green Spec and Golden Spec.

Merity said he was confident of finding other high-grade deposits in the region.

The company expects to upgrade the size and confidence level of its resources early in 2007, at which time the parameters for feasibility studies will be considered. Northwest has previously stated it is targeting a 60,000oz per annum operation.

In its September quarterly report, Northwest advised it had \$942,000 cash on hand, making a capital raising in the near future a likely possibility.

Shares in Northwest opened at 36c this morning after putting on 6c (20%) since Monday. The stock traded as low as 32.5c today before recovering to be down 1.5c (4.2%) at 34.5c by midday.