

# Goldsource Mines discovers new coal sub-basin near Hudson Bay

By Matthew Liebenberg  
*of The Northeast Sun*

A new large sub-basin with 62 metres of coal was discovered at the Goldsource Mines Inc. property north of Hudson Bay during its summer drilling program, which was concluded this week.

Twelve core holes with a total length of about 2,100 metres were drilled during the summer program, using a helicopter supported drill rig. It was part of the Vancouver-based company's wide-ranging exploration program since April 2008, when it discovered coal in two holes that were drilled to look for diamonds.

Called the Border property by Goldsource Mines, the 128,352 hectares in coal permits is the main focus of the company's current activities. The area is situated about 45 kilometres north of Hudson Bay and in close proximity to Highway 9 as well as a CN railroad line.

The size of the new sub-basin, named Niska, is about five kilometres by 10 kilometres and includes at least three areas with coal intercepts that are up to 62 metres thick.

Goldsource Mines President J. Scott Drever said their summer drilling program has been successful.

"We've had that new area that we didn't know about and we've had two or three smaller ones within areas that we've been drilling before," he said. "So overall its confirming the airborne geophysics that we're using and we're getting good intervals of coal in virtually all of the holes that we've drilled to date."

According to Drever the discovery of the Niska sub-basin was the sixth one that they have found within the Border property. Within these sub-basins they identified 11 coal deposits described as "discrete substantial."

Preliminary results that were available by the end of July indicated the presence of "significant intervals" of coal in eight of the 12 holes drilled up to then during the summer program. It was anticipated that approximately 16 holes will be completed as part of this summer's drilling activities.

The most significant coal intervals occurred in the newly discovered Niska sub-basin. Initial identification of the intervals of coal in two of the holes (BD09-105 and BD09-107) indicated true aggregate thickness of about 28 metres and 62 metres respectively of dull to bright coal with similar visual and geophysical characteristics.

Airborne electromagnetic geophysical surveys con-



**Drill hole samples from the Border property of Goldsource Mines.**

*Photo supplied by Goldsource Mines Inc.*

tinued to be an important part of the company's survey program. According to Drever the Niska sub-basin was one of several new target areas that were discovered as a result of airborne surveys. That airborne geophysics program over the remaining areas of the Border property has now been completed.

Drever said 115 holes have been drilled since last year and their next step would be to analyze and collate all the information collected from the drilling program. At the moment resource modeling for a NI-43-101 technical report is underway and it is expected to be completed during the third quarter of this year.

"Once we have a resource estimate and we have all the quality analysis back then we'll be able to make some decisions on how to go forward," he mentioned. "Probably late this year or early next year we'll be doing some sort of scoping study to look at the economic viability of what we've outlined so far."

Drever said it is too early to know if it is economically feasible to mine the coal resource, but from the point of view of physical mineability it is viable.

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"The strip ratios that we can calculate roughly at this point are well within the limits of what existing mines in Canada are doing," he said. "And as near as we can tell there's no sort of fatal flaw in the mining, it's pretty straightforward."

Any decisions about mining would depend on the kind of reserve and the size of that reserve.

"We wouldn't be able to decide on anything major until we finished at least a

preliminary economic analysis, which would probably be sometime early next year," Drever said.

For the moment the company is still focused on the exploration of the Border property. The coal intercept samples that were collected during the summer drill program are currently tested at Loring Labs in Calgary and priority areas will also be further delineated in subsequent drill programs.