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Goldsource Gets Border Resource

VANCOUVER -- **Goldsource Mines** (GXS-V, GXSFF-O) has released the first resource estimate for its Border coal project.

The resource estimate covering an array of discrete coal deposits, defined by 119 drill-holes or 17,000 metres of drilling, weighs in at 64 million indicated tonnes and 90 million inferred tonnes of subbituminous coal.

The coal ranges in ash content from about 12% to 20%, in sulphur content from 1.5% to 3% and in calorific value from 13,000 to 17,000 kilojoules per kg.

Goldsource notes that the Border project, 45 km south of Hudson, Sask., has the potential to be an open-pit operation with 14 near-surface deposits each holding between 1 and 66 million tonnes coal.

Goldsource says that relative to coal mining operations in Alberta, Border may have economic advantages in terms of strip ratio. The average waste-to-coal strip ratio in Alberta is 8:1, Goldsource notes, whereas at Border the average strip ratio is as low as 3.3.

For example the Pasquia 2 deposit, which contains the largest portion of Goldsource's indicated resource, has a strip ratio of 4.1. The overall average strip ratio is 5.2.

Now, with the resource estimate under its belt, Goldsource president and CEO Scott Drever said in a statement that the company will work towards a scoping study to assess mining potential.

It will also continue to define new and existing deposits. One hope is to upgrade the Niska 108 deposit to the indicated category. Weighing in at 66 million inferred tonnes, Niska 108 is the largest discrete deposit that Goldsource has so far outlined.

On news of the resource estimate, Goldsource shares fell about 10% to \$1.58.

The company has 19.7 million shares outstanding.

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