

# Moving into uncharted waters

By Mark Fraser

A WELL ESTABLISHED Australian junior with an expanding international exploration portfolio has ventured into the relatively untouched terrains of Panama.

The Sydney-based Golden Cross Resources Ltd (GCR) has been encouraged by some of the early signs from its diamond drilling program at the Los Hatillos property in the Central American nation, in which the holes were designed to test the down dip extension of the Veta Blanca vein system and shear zone.

GCR entered the country in May 2007 after forming a joint venture with the TSX-listed Bellhaven Copper and Gold Inc – a Panama-based outfit – to explore the 74 square kilometre Veraguas project area, a portion of real estate which includes the Los Hatillos epithermal gold properties.

Located in the nation's central region some 190 kilometres south west of Panama City (and just north of Santiago), Los Hatillos contains several zones of high grade, gold-bearing quartz veins and breccias which have been subject to little modern exploration work.

According to the company – on the basis of historic underground sampling that was restricted to two trial mining adits at Veta Blanca – a zone grading 11.54 grams/tonne gold, 20 g/t silver, 0.12% copper, 2.3% lead and 3.55% zinc was already defined.

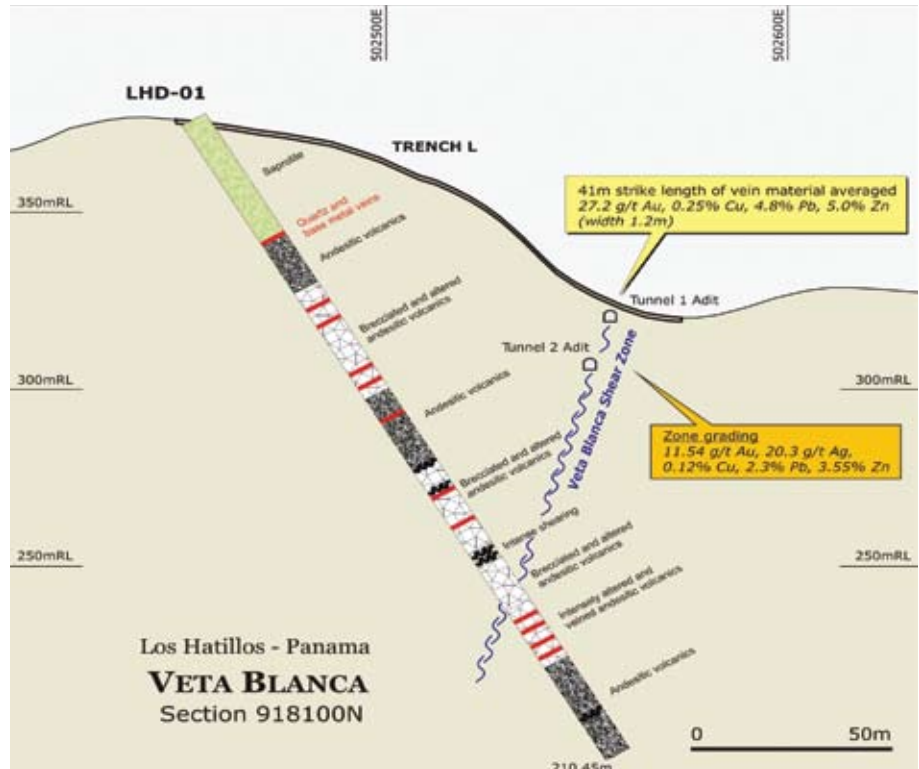
In one of the holes from the most recent program, however, there were indications that a broader than anticipated zone above one of the two upper adits (where a 41m strike length of vein material averaging 27.2 g/t gold, 0.25% copper, 4.8% lead and 5% zinc had been identified) existed within sheared, intensely altered andersite containing abundant sphalerite and galena, with minor chalcopyrite, between 145-164 metres depth.

Similar mineralisation was also found between 164-175m in the Veta Blanca vein system.

Meanwhile, a second GCR hole indicated the Veta Blanca vein system extended downhole (from 124-134m) within sheared, altered andesites with contained abundant quartz base metals veining.

The veining and base metal mineralisation, GCR said, provided indications of a deeper mesothermal – rather than epithermal – setting.

On the basis of the data gathered to



date, it was likely that the drilling program would now be extended beyond the planned 1,000m. As it stands, the New South Wales-headquartered junior may earn 70% in the Veraguas properties – including Los Hatillos – by spending US\$ 4 million on exploration by 2012.

## Expanding real estate

Last quarter the company applied for six new exploration areas in Panama which were prospective for porphyry copper and epithermal gold.

The Cerro Mejico application lies 10 km east of the 1.7 billion tonne Cerro Colorado porphyry copper project, while El Cope is situated south of the Petaquilla copper deposits and adjacent epithermal gold projects which are soon to be developed by Teck Cominco Ltd and Inmet Mining Corp.

During a recent visit to Western Australia, GCR managing director Kim Stanton-Cook told *Gold&Minerals Gazette* that Panama had been virtually overlooked by the global exploration fraternity despite the fact it hosted one of the world's largest undeveloped copper projects (Cerro Colorado).

"That has really been a watershed for the Panamanian government," he explained.

"The Chinese and Codelco have been knocking on the door, but the Panamanians



are not willing to let foreign government-involved companies buy into it because they see it as an infringement of their sovereign rights.

"Teck and Inmet recently announced they were looking to develop Petaquilla, so that will be a major mining venture – probably the first one in the country in 10 years.

"All of this will ultimately be good for us because it will show the world that Panama is a highly prospective country."