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Sampling, gold recovery continues at Golden Summit

By Patricia Liles
For the Journal



Michael Gross, vice president of exploration for Freegold Ventures Ltd., examines a small rock for traces of gold, during a site visit to the Golden Summit property in mid-July. Photos/Patricia Liles/For the Journal

Employing nearly 30 people this summer working shifts round the clock, Freegold Ventures Ltd. continues to dig up bulk samples from its hard rock gold deposit called Golden Summit, located about 20 miles northeast of Fairbanks, processing that material through a chemical-free, gravity-based recovery plant to extract a gold concentrate.

The work program is designed to provide more information about the continuity and average grades of gold mineralization found within the numerous gold-bearing zones of the Golden Summit project, and to determine what level of metal recovery could be expected in a commercial-sized production.

we're going to have the information in hand that demonstrates we have a deposit here that can be operated economically at a much larger scale using gravity concentration," said Michael Gross, vice president of exploration for Freegold, a Vancouver, B.C.-based exploration company that has prospected the large block of mining claims of Golden Summit for nearly 20 years.

Demonstrating gold quantity and recovery characteristics could add value to the property, particularly because of its proximity to the Fort Knox gold mine and mill

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complex, located less than a dozen road miles away.

In a June 17 press release announcing positive results from initial bulk sampling at Golden Summit, managers of Freegold noted that last fall's processing involved bulk samples with gold grades equal to or substantially higher than the average reserves currently mined and milled at Fort Knox.

The question remains: is there enough gold-bearing rock to warrant a satellite mine for Fort Knox, which is facing a current end of mine life in early 2012, and conclusion of gold recovery from low-grade stockpiles in early 2018? Or will Golden Summit provide enough resources for Freegold or another producer to operate as a stand-alone gold mine?

This summer's work plan will help answer those questions for Freegold, which has invested about \$1.8 million for parts and another \$1 million to build the facility, along with other site costs and electrification for the plant, according to company president and CEO Steve Manz

Included in that capital expense was last winter's purchase of additional crushing and grinding equipment, including a used 500-ton per day mill from the old Mohawk mine near Fox. Two ball mills, a regrind mill and various other pieces of equipment have been added to the existing processing plant operation that was initially designed to process up to 1,200 tons of mineralized material per day.

Freegold also purchased a portable closed circuit cone crushing plant to enable better gold recoveries.

"Because the ball mills and Knelson concentrators are skid-mounted and modular, it is possible to change the plant arrangement in only a few hours to optimize plant configuration for various rock types," Freegold said in its June 13 press release. "Freegold has also purchased and installed three portable diesel-fuelled generators that are capable of generating up to 1.4 megawatts to provide electrical power to the processing plant."

When operating, the self-contained outdoor processing plant hums with activity. Crews hustle around the various pieces of equipment, ensuring that the marriage of old and new equipment operates as planned. During a site visit in mid-July, contractors were working to add some electronic monitoring equipment to part of the process.

"You can tell that this probably was built in the 1920s," said plant superintendent Jim Munsell, pointing to one of the ball mills from the Mohawk mine. "It has a flat leather belt, instead of the V belts that have been used in modern equipment? t's simple, not hard to figure out what's going on. There's not a lot of electronics on it."

Freegold received state and federal permits in mid-2007 for the bulk sampling and gold processing at Golden Summit, allowing the company to collect and process up to 108,000 tons of mineralized material per year for five years. The permits also cover Freegold's water usage, tailings storage and site reclamation requirements for the sampling and processing program.

Installation of the processing plant was completed in September, allowing about four weeks of through-put before work stopped in October due to sub-zero temperatures. Crews restarted work in mid-June and so far, have completed processing about 10,000 tons worth of bulk samples stockpiled in 2006, Gross said.



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The plant is currently processing about 45 tons of material per hour, with roughly an average of 20 hours a day of operation, Gross said.

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In late August, crews began processing bulk samples dug up in 2007, about 15,000 tons worth of material, he said. "We're about four days into that," Gross said, on Aug. 29. "I'm looking at the way the stockpiles are moving and material is disappearing? t should be early in the following week before we will have completed processing all that material."

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Fall weather and temperatures in Interior Alaska will determine how long the processing plant will operate. "We've decided to run as long as Mother Nature will cooperate with us," Gross said. "It becomes a daily or weekly decision once we get into October."

While the ultimate goal of on-site processing of the bulk samples isn't gold production, the recovery of the precious metal should help offset Freegold's spending on the project. Whether it will pay for operating or capital costs remains to be seen.



"That's what my boss keeps asking me," Gross said. "I can't look at those concentrates and make a guesstimate about what's in there? like what I'm seeing and I think it's there, but I can't do a good job estimating what's in the concentrate until it gets into a refinery."

Jim Munsell, plant superintendent at the Golden Summit, checks the outflow from a ball mill during a lull in operation in mid-July. Freegold Ventures installed a gravity-based gold recovery plant to provide information from its bulk sampling program being conducted at the Golden Summit project.

Photos/Patricia Liles/For the Journal

Freegold is currently negotiating for processing gold concentrates already produced.

"Marketing small quantities of gold fines is interesting," Gross said. "There aren't a lot of places out there that will take these small quantities of gold concentrates."



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