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Gold firm holds high hopes for Nunavut's Committee Bay

"The 2011 exploration season will be pivotal"

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On this map you can see the location of North Country Gold's Three Bluffs gold project, which lies 180 km northeast of Agnico-Eagle's Meadowbank mine in the gold-rich Committee Bay belt. (IMAGE/NCG)

A new player wants to move into the major leagues of mining in Nunavut.

North Country Gold talked about its high hopes for its Three Bluffs gold deposit in a presentation to the recent Nunavut Mining Symposium in Iqaluit, suggesting Three Bluffs could be "the next multi-million ounce gold deposit in Nunavut."

To see if that's true, North Country Gold plans to spend \$25 million on its exploration program in 2011, setting up six drilling rigs to find out what lies in the Committee Bay greenstone belt.

That 300-kilometre gold-rich belt is the only one in Nunavut that isn't currently owned by a major mining company.

North Country Gold belongs to the Discovery group of mineral exploration companies, whose owners have been investing in exploration in Nunavut for five years.

Now, that the price of gold is high — more than \$1,500 per ounce, they see promise in the isolated property, located about 300 km north of Baker Lake and 180 km north of Agnico-Eagle's Meadowbank gold mine.

North Country Gold's goal in 2011 is simple: to increase the belt's known gold deposits.

“The 2011 exploration season will be pivotal for North Country Gold,” said John Williamson, North Country Gold’s chief operating officer, in a news release sent out last month.

“This year’s drilling programs are designed to significantly increase the [known] gold resource present on the project.”

Its Three Bluffs deposit already has an indicated resource of 508,000 ounces of gold.

Drilling, which started in April, will ramp up to six rigs by mid-May and continue all summer.

North Country Gold hopes to identify additional “near-surface open-pittable” gold resources in a promising 4.1 km stretch of the Committee belt.

It’s targeting five areas within this flat, rocky belt, each with a potential for several million ounces of gold, which each could support an open-pit operation.

The company said it’s working at getting land use permits upgraded to put in permanent infrastructure on site, and, for example, to build a 10-km all-weather road from its Hayes camp to the drill sites.

Last week, two drills started work and four more diamond drill rigs are already on site, nearly ready to go. Heavy equipment, fuel, camp and drill supplies continue to arrive by plane on the 5,200-foot ice airstrip near the main camp.

So far, North Country has conducted \$47.5 million of exploration within the Committee Bay belt region.

Last year, the company spent about \$3.9 million in the North and \$2.6 million flowed to Inuit-owned businesses.

The company also hired 14 workers from local communities — a number that’s expected to increase this year with the additional activity planned, which includes upgrading its gravel airstrip to 3,000 feet and enlarging its camp to accommodate 100 people.

If all goes well, North Country Gold plans to produce a project description submission for 2013.