

Year of drilling near Babbitt for Franconia Minerals

Bill Hanna

Last updated: Sunday, July 29th, 2007 11:08:34 PM

BABBITT — It has been a year of drilling for the Franconia Minerals project on Birch Lake near Babbitt. And, according to Ernie Lehmann, a director of Franconia Minerals Corp., that has helped make it a year of progress for the non-ferrous mining initiative.

“I think we’ve really come quite a ways,” said Lehmann, pointing to two major steps forward:

“In October we completed a resource estimate and economic assessment in accordance with the Canadian Securities Regulation up to 2006.

“Since then we have continued our drilling program. We have two drill rigs on Birch Lake property. Those results are being evaluated and a new assessment will be made in the fall,” he said, referring to samples of copper, nickel, cobalt, platinum-palladium and a small amount of gold at its Maturi and Birch Lake projects.

Lehamnn said the company has “also engaged in a lot of environmental work in the areas of wetlands, water quality surface and groundwater program and cultural resources.”

At a recent St. Louis County Board meeting, Lehmann said interest in the potential of the region’s non-ferrous deposits has picked up with investors helping finance Franconia’s work. “We’re in very good financial shape at this point.”

Lehmann said the company hopes to be on schedule to begin the Environmental Impact Statement process and permitting by mid-year 2008. “If all goes well, we’ll complete that process in 2009 and a feasibility study and research development decision in 2009, a construction decision to follow and then two years out ... in 2011 production,” he said.

The projected life for the Birch Lake project is 26 years, while it’s 24 years for the Maturi deposit, Lehmann said. “The caveat is there is potential for increasing that life through additional exploration. Deposits are there. The purpose of the drilling is to better define the resource through closer-spaced holes.”

The two deposits, Lehmann said, have different grades of the metals with platinum at Birch Lake and more copper and nickel at Maturi.

Lehmann said the project’s workforce will be somewhere about 550 permanent jobs, with 1,000 jobs created at times during the construction phase for the mine, processing facility and related areas.

Lehmann said Franconia is environmentally-conscious. “The technology that wasn’t there 20 to 25 years ago has really advanced to recover metals from the ores economically and in a much more environmentally-friendly manner. We can eliminate sulfur dioxide emissions,” he said.

Lehmann said that the slow pace of getting such big natural resource projects from drawing board to production is slowed because of environmental safeguards and the permitting process. That’s the era we live in. I think we could move faster with the same results but have to live with it as is. It’s vital to meet all concerns and regulations.”

Lehmann said the confidence level for the project is high.

“The markets for the commodities are even a little better than in last October when we did the financial

assessment, and we're using conservative long-term metal prices. We expect the metal markets for commodities to be strong for a pretty long period of time.

"The critical point will be the permitting process. We feel pretty confident we will be able to get the necessary permits and acceptable EIS," Lehmann said.

o

Bill Hanna can be reached at bill.hanna@mx3.com. To read this story online and comment on it go to www.virginiamn.com.

0 diggs [digg it](#) [del.icio.us](#)

Comments: **Year of drilling near Babbitt for Franconia Minerals**

[add comment](#)

If you would like to make comments on this story you need to [create an account](#).

If you already have an account please login by clicking on "add comment" above.