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New mining venture advances

by Joe Domich

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Ely area leaders were briefed Wednesday about prospects for precious minerals mining in the Ely area.

In the wake of test drilling by Duluth Metals Corporation south of Ely on Highway 1 - and indications from company officials that the area is rich in mineral deposits - project manager David Oliver went before the Ely Area Joint Powers Board Wednesday at the downtown technology center.

Duluth Metals is working on several fronts, from drilling to scoping to the initiation of environmental studies and permitting assessment, while moving toward the start of a pre-feasibility study next year.

The end result may be a mining operation that could create new jobs in the region.

According to Oliver, the work force will be drawn from many areas between Virginia and Ely, but that is still far in the future. He said it's too early, at this time, to estimate when a major workforce will be assembled for potential mining operations.

Duluth Metals Corporation was formed in 2006 to explore a portion of the Duluth Complex, a 2,500 square mile mineral rich area which extends from the Canadian border to Duluth.

Duluth Metals' focus is on the Nokomis deposit located in the western portion of the Maturi Extension properties. This deposit comprises about 4.1 square miles and straddles Highway 1 south of the South Kawishiwi River and northeast of Birch Lake.

The Duluth Complex is estimated to contain 4.4 billion tons of copper, nickel, and platinum group metals making it the world's third largest accumulation of nickel, second largest of copper, and second largest of platinum group metals.

The initial resource estimate of the Nokomis deposit is about 500 million tons of ore.

Of this 380 million tons are graded at about 0.6% copper, 0.2% nickel and 0.52 grams per long ton of total precious metals. About 120 million tons are graded at 0.64% copper, 0.18% nickel, and 0.7 grams per long ton of total precious metals.

For 2007 Duluth Metals plans to perform the following steps:

- Drilling - infill drilling on the western area and step out drilling on the eastern and southern areas.
- Scoping study.
- Metallurgical testing (including hydrometallurgical studies).
- Mining engineering and planning studies.
- Infrastructure and transport studies.
- Labor and social infrastructure studies.

- Environmental studies and permitting assessment.

In 2008 the company will commence a pre-feasibility study moving toward pre-production drilling and possibly the initiation of a feasibility study.

Other companies involved in the Duluth Complex include Teck Cominco which has a drill plan for the Mesaba deposit for 2007. Polymet will complete its feasibility study in 2008, and Franconia has completed a scoping study in the Birch Lake and Maturi extension areas.

Oliver said that training programs will need to be initiated to come up with a workforce.

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