



EXPLORATION

Oceanus takes a stab at Pinos Alto-type in Durango

Taking a look at an early stage explorer active in Mexico, Mineweb's Kip Keen hears about high hopes for the La Lajita gold-silver project in Mexico.

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HALIFAX, NS (MINEWEB)

I caught up with both [Oceanus Resources'](#) chief geologist and one of its founding shareholders, David Duncan, and Oceanus CFO, Glenn Holmes, Wednesday to hear the latest about their La Lajita gold-silver project in southwestern Durango State, Mexico.

Some nice drillhits out just the other day. Pretty early-stage stuff in Oceanus' first round of drilling since they acquired an option on La Lajita last year. What strikes one immediately, apart from high-grade gold and silver intercepts in a low sulfidation setting, is the project hasn't been recycled many times over and hasn't been explored much in the past few years. As Holmes and Duncan tell it - with their project documents to supplement ([presentation here](#) and [NI 43-101 here](#)) - the most dedicated exploration effort on the property was under International Northair's direction in the early 2000s. Indeed, much of International Northair's work holds as Oceanus' current understanding of the property's geology and mineralization.

There are a series of fault breccia veins, tested at surface, over a roughly two-kilometre long strike that International Northair drilled fairly close to surface with an RC rig. It cut decent intercepts in one of the chief fault breccias with as much as 11 metres @ 8.19 gpt gold and 46.2 gpt silver. More typical were hits in the five- to eight-metre range with between 1 and 4 gpt Au and 10 to 39 gpt Ag.

These grades and widths are close to what Oceanus has hit in its first pass drilling, largely - but not only - designed to confirm International Northair exploration. Oceanus' best intercept was 20 metres @ 7.09 gpt Au and 48.8 gpt Ag, with its others falling into a similar range as International Northair's (described above.) The bulk of these intercepts, Oceanus and International Northair's, were within about 50 metres of surface and targeted artisanal underground workings in the fault breccia zones.

Some interesting exploration potential there. Oceanus is fleshing out the gold-silver mineralization with access to underground workings closer to surface, which has allowed several rounds of channel sampling. But Duncan sounds more excited over the potential at depth. This is aspirational stuff based on La Lajita's style of mineralization and its analogs in Mexico.

PINOS ALTO?

Oceanus, headed up by CEO Richard Gordon, plans to test the project at depth to see if the known fault breccia zones bloom in a volcanic unit below. At La Lajita they're in what's known as the Sierra Madre's Upper Volcanic Series at surface. But Duncan eyes the Lower Volcanic Series interpreted to be underneath.

Why?

"In the lower series, the rocks shatter and break differently," Duncan says, referring to the potential for the fault breccia to widen therein.

They are taking a venerable mine as their model, Agnico Eagle's Pinos Alto gold-silver mine in Chihuahua state (P&P 74 million ounces silver @ 60.71 gpt and 2.7 million ounces gold @ 2.21 gpt). There, among other gold-silver mines, Duncan notes, fault breccia are mainly hosted in the Sierra Madre's lower volcanic unit. He estimates, based on outcropping rocks a few kilometres away, the lower volcanic unit could be about 500 metres beneath surface at La Lajita. It may be deeper. It may be shallower.

Meantime, Duncan emphasizes similarities in mineralization at La Lajita to Pinos Alto within the fault breccia. First, just that, the fault breccia found at La Lajita and Pinos Alto, but then also green quartz, which comes along with strong gold-silver grades, and the low sulfidation-type setting (i.e. related to the conduits of ancient hot springs, more or less.)

While Oceanus has its work cut out for it, it has at least got a good sniff in one of the deepest drillholes yet on the property. Oceanus cut 2 metres @ 3.98 gpt Au and 97.7 gpt Ag about 150 metres beneath surface. At the very least it suggests continuity of mineralization above the intercept and then it also points to the possibility the fault breccia continues at depth - perhaps into the lower volcanic series.

More drilling will be needed to test the Pinos Alto hypothesis, and in this respect it will be fun to watch Oceanus' progress. Apart from gold-silver mineralization, Oceanus' deep drillhole - core, not RC as in the past - gives Oceanus a better idea of the fault breccia dip, which in turn helps them target the upper and lower series contact.

It looks likely Oceanus will have to raise some cash to flesh out the Pinos Alto-like theory, though. At last count they had about \$1 million in cash at the end of June. Since then Oceanus has been exploring and its cash stores are probably down to about half that amount. And while few if anyone would say the current market for financings is forgiving, it does mean something about Oceanus' access to capital that they raised C\$2.3 million back in March this year. That is, amid a terrible junior financing market for early stage explorers.

La Lajita

12 concessions

3,200 hectares

Option payments over six years, with \$150,000 due at the end of the first year, \$200,000 the next and continuing to increase thereafter to \$500,000 in the final year.

Road access: yes

Surface access: through Ejido agreements

Topography: hilly

Oceanus Resources

TSX-V: OCN

-36 million shares outstanding

-C\$10 million marketcap

-\$500,000 to its name

Very light trading in past month

Topics: GOLD, SILVER, JUNIOR GOLD STOCK, OCEANUS RESOURCES, PINOS ALTO

About Kip Keen



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Data | Chart

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Oceanus Resources (OCN.P :TSXVE)

CAD 0.29 +0.00 (+0.00%) As of 2013-09-25T16:02:22

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Prev Close	Day's High	Volume	Bid
0.29	0.30	3,000	0.27
Open	Day's Low	52wk Range	Ask
0.30	0.29	0.15 - 0.35	0.31

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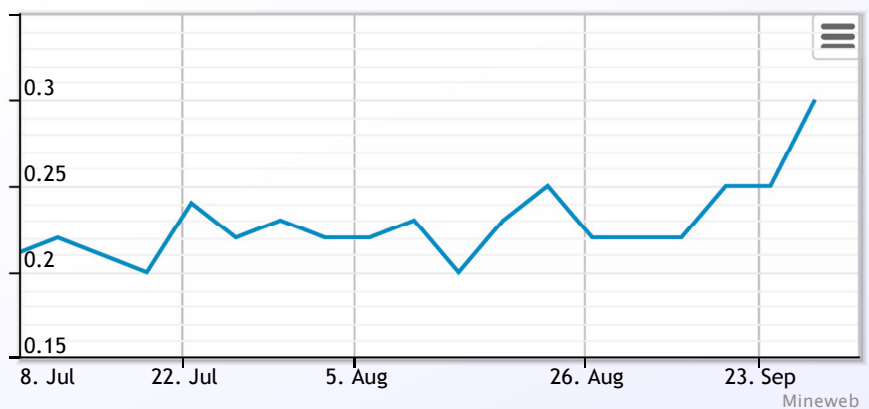
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