

Pursuit Minerals weighs up Arizona alluvial gold project

China's latest sanctions against the US are the latest factors keeping the gold price at near record highs – above \$2,000/ounce.

The strength in gold is widely expected to continue given the ongoing uncertainty around the longer-term economic impacts of the COVID-19 pandemic, the large government stimulus packages, uncertainty in equity markets, and negative real yields in much of the developed world.

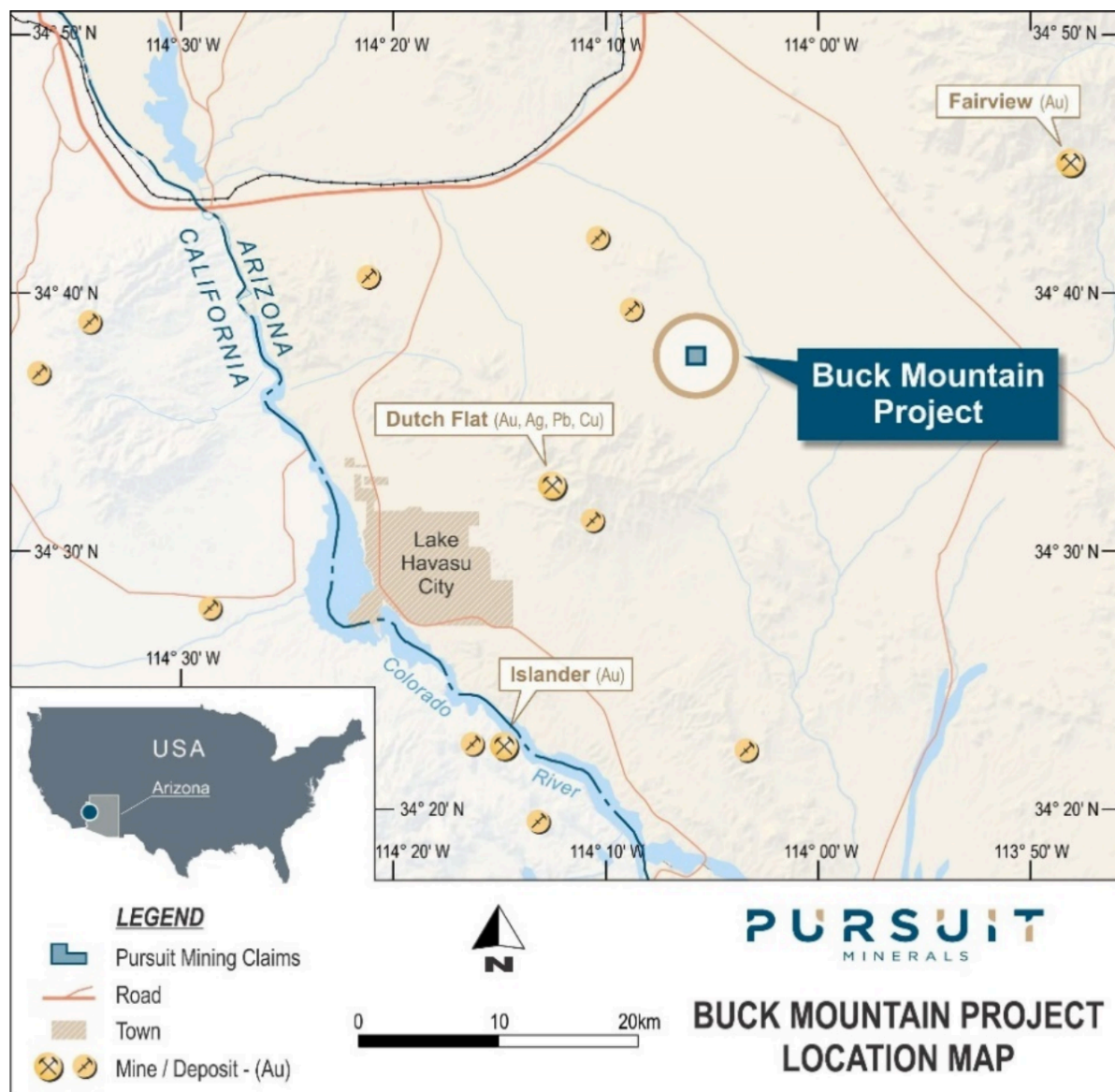
Given that backdrop, some forecasters are now anticipating a rise to \$3,000/ounce or more.

While gold's rise has been well publicised, the recent strength in silver prices has been largely overshadowed. Silver gained 35% in July and has continued its strength into August. Relative to historical levels, silver remains cheap compared to gold and looks due to catch up.

Recognising the opportunity at hand, Pursuit Minerals ([ASX: PUR](#)) signed an exclusive option to acquire the Buck Mountain Gold Project, a gold-silver-platinum group metals (PGMs) project in Arizona, USA.

A high-grade alluvial gold project, the Buck Mountain Project's precious metals are contained within gravels that have been washed down onto the plains from the surrounding Buck Mountain within Arizona's Mohave Mountain Range.

Mineralisation is widespread, although mostly in small deposits of gold, silver and tungsten.



Pursuit is conducting due diligence on the Buck Mountain Project ahead of its decision to exercise its option over the project by 30 September.

A significant amount of work has already been undertaken at the project by the vendors, such as drill programs and a number of sampling exercises, including the collection and processing of a 16.2 tonne bulk sample.

The bulk sample was processed in a similar way to how a mine would process the alluvial gravels and recovered grades of 4.8g/t gold, 119.66g/t silver and 0.55g/t platinum.

A 2014 auger sampling program was also completed but the samples never assayed. Along with samples from its own soil sampling program that's currently underway, Pursuit will also be independently verifying these auger samples for grade and distribution. Results are due in early September.

The company is re-drilling 21 of the auger samples sites from 2014, involving shallow drill holes of three to four feet. The company says results of greater than 2g/t gold would be extremely economic. An earlier average grade of 6.1g/t gold was recorded from up to 15 feet deep.

Having recently undertaken a \$600,000 capital raise — of which the second tranche of 60.5m shares and \$300k is due within the next five weeks — Pursuit is sufficiently funded to complete the due diligence process, exercise the option over the project, and conduct a small initial drilling program.

The project's low costs in alluvial gold processing and the strength in gold and silver prices also support the project economics.

Resource conversion and expansion

The project has an existing high-grade gold resource — a foreign mineral resource, complying with Canada's NI-43-101 standard, of 1.248Mt, grading 6.1g/t gold for 244,000 ounces.

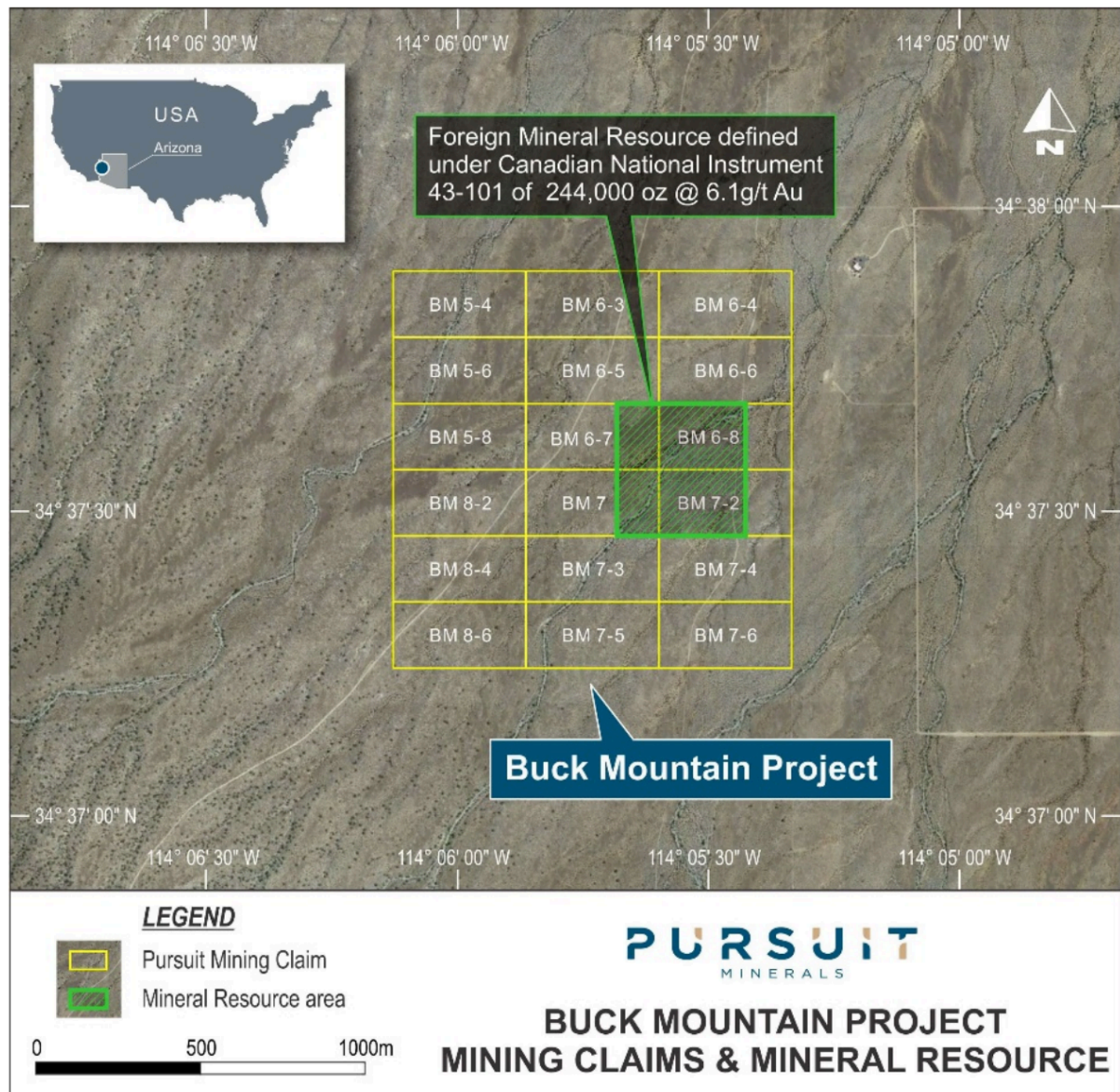
Pursuit anticipates that upon exercise of the option, it could expand the resource very quickly and convert it to a JORC (2012) resource.

The foreign resource estimate was based on analysis of alluvial gravels down to 15 feet, yet previous drilling by the project vendor determined that gold, silver and PGM bearing alluvials extend down to at least 30 ft in the project area.

It goes to reason that gold would also be present at greater depths, as it is the heavier material.

Further, the existing resource was calculated over an area of just 45 acres, just 14% of the total 320 acre (1.3km²) landholding.

Well targeted expansion drilling both vertically and horizontally across the wider project area, could see Pursuit quickly grow the resource base to more than 1 million ounces.



If due diligence is successfully completed and the option over the project is exercised, the \$9 million capped company could quickly attract market attention. Having only entered the option agreement on 17 July, Pursuit is one of the few gold juniors that are yet to be swept up in the current booming market.

Upon exercise of its option to acquire the project, Pursuit will look to complete a follow up drilling program prior to the end of 2020.

The size and grade of the foreign resource estimate was a key factor for Pursuit considering the acquisition of the Buck Mountain Project. Consequently, its ability to verify the resource and reclassify under JORC (2012) is an important step forward.

The results from the due diligence program will also allow Pursuit to assess reliability of the foreign resource estimate with much greater confidence.

This presents significant potential to quickly and cheaply prove up and expand the existing resource, which could soon be a million ounce gold resource with additional silver and PGM credits.