

# Resource Maven

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## West Red Lake Gold Mines (CSE: RLG)

*West Red Lake Gold's namesake project is home to three historic mines, one of which is home to a modern 1.1-million oz. deposit averaging 7.57 g/t gold. RLG is working to expand that high-grade resource, which is open along strike and to depth. Continued drilling at the Rowan deposit is a relatively low-risk way to grow the company's valuation backstop.*

*West Red Lake is also stepping east from Rowan towards where three major geologic structures intersect. The Red Lake district is famous for high-grade gold and the best deposits occur at structural intersections.*

*There's a holdup: the target is on Crown claims, which requires a separate permitting process than the patented ground on which RLG has been drilling to date. That process is underway, but it will take some time. In the meantime RLG has drilled as close to the target as it can and the work has returned some tantalizing intercepts, including 1.5 metres of 70 g/t gold, and 1.5 metres of 50.4 g/t gold.*

*All told, there could be exciting days ahead for this Canadian gold explorer.*

### The Latest

A recent drill program has successfully expanded known mineralization to depth at the Rowan deposit, while one hit from two holes testing close to the Structural Intersection added to intrigue there.

Rowan is the defined 1.1-million deposit at the West Red Lake project. It is a set of 7 steeply dipping zones that strike east-west carrying gold in quartz veins, veinlets, and stockworks.

The defined 4.5-million tonne resource, which grades a nice 7.57 g/t gold, only extends to between 300 and 350 metres depth. The latest drill program tested below that envelope on the western side of the deposit.

All six holes returned mineralization from outside the defined resource, including 8.74 g/t gold over 3.5 metres (including 23 g/t gold over 1 metre), 8.97 g/t gold over 1.2 metres, and 11.66 g/t gold over 1.1 metres.

That's great. The Rowan resource is the valuation backstop for RLG and growing it via straightforward drilling is an obvious thing to do.

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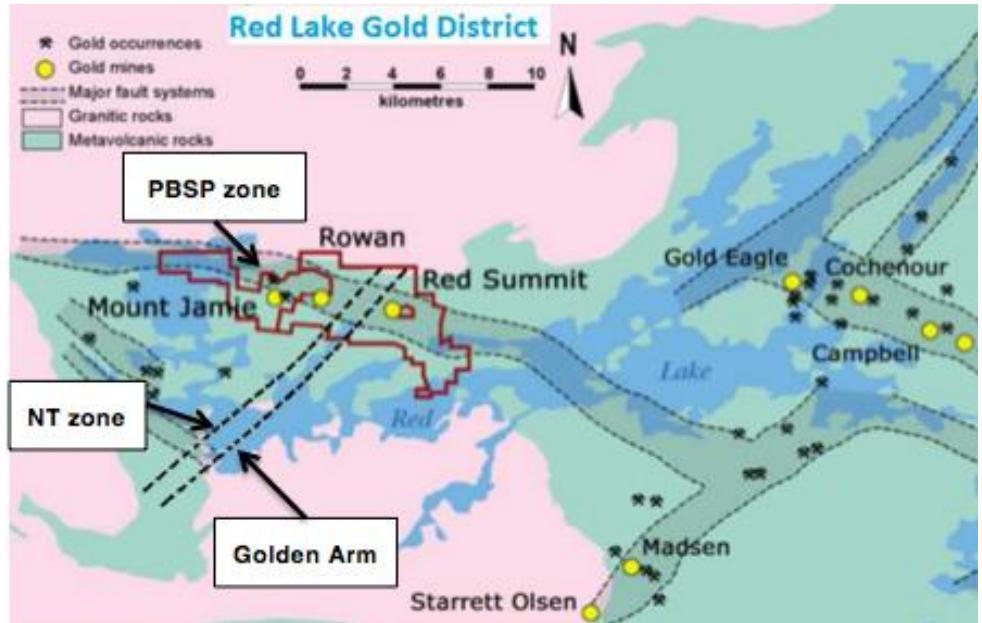
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That's the case even though speculators are not into the RLG story for Rowan; we're into it for the potential to find a bigger and better mineralized system near the structural intersection to the east.

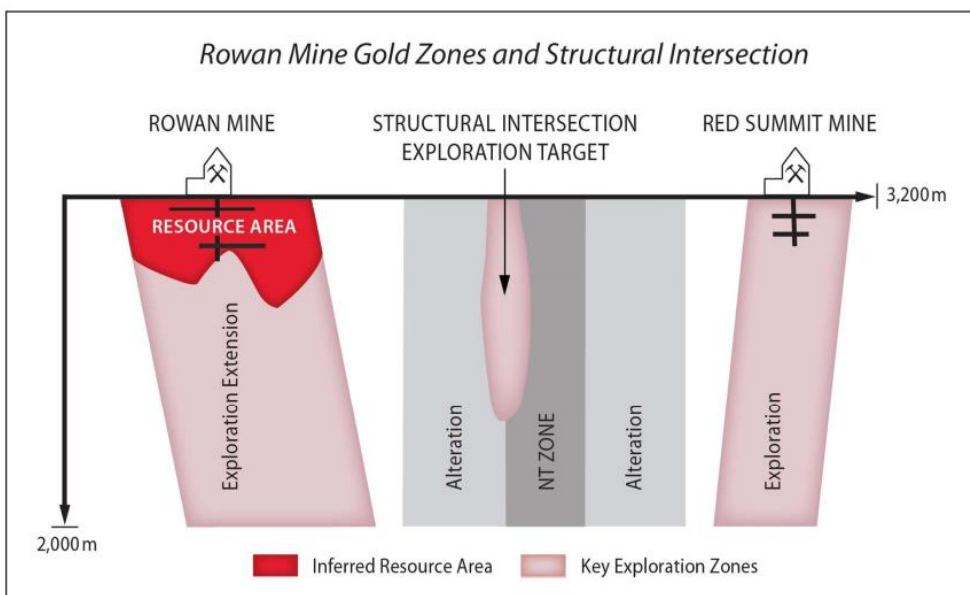
That's where the east-west trending Pipestone Bay-St Paul deformation zone intersects that northeast-trending Golden Arm structure and parallel NT zone and where several geophysical surveys suggest there could be something interesting going on.



The idea is backed by geology: the Golden Arm structure hosts a mafic-ultramafic contact. In Red Lake, the best deposits sit in structural intersections wherein one of the structures is a mafic-ultramafic contact.

West Red Lake is inching towards testing that intersection but two things have been in the way. First, drill permits for the area are still in progress. Second, some of the money that came into recent financings really wanted to see some 'certain' holes, i.e. holes expanding Rowan, before going to test the structural intersection.

To date RLG has stepped east from Rowan towards the structural intersection and the closest holes returned tantalizing results: 50.4 g/t gold over 1.5 metres and 70 g/t gold over 1.5 metres.



In the recent drill program RLG snuck in two holes near the intersection, just south of that hot hit from before. One of those holes returned 26.8 g/t gold over 1 metre.

So the high-grade hits continue as RLG inches towards the structural intersection, but to have any real idea what might be over there we have to wait for a full drill program focused on that area. That will happen later this year.

West Red Lake will start the

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year with further drilling to expand the Rowan deposit at depth and to the west, where a few previous holes returned good results. As I said, expanding Rowan makes good sense as it is a low-risk target that should grow the company's valuation backstop.

As soon as RLG gets the permits it needs, the company will drill a set of holes into the southeast quadrant of the Structural Intersection. That's where odds of discovery are greatest: the geophysical target overlies the Golden Arm mafic-ultramafic contact hitting the PBSP zone.

This plan should mean RLG produces consistent news while it advances two targets. And a \$852,500 financing that closed in early January means the company has the funds it needs to keep advancing this interesting asset in 2017.

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