

Betting on gold at Copper Hill

YOUNG CEO HELPS FORM GOLDEN HARP TO EXPLORE LARDER LAKE PROPERTY

Everything was uranium, uranium, uranium, recalls Natasha Blackburn, president and CEO of **Golden Harp Resources** (GHR-V), of the period leading up to the formation of the junior gold company she runs.

Blackburn, now 34, was working in corporate development for **International KRL**

Resources (IRK-V, IRKLF-O) in 2006 when she was asked to do something with the Copper Hill gold-copper project along the Cadillac-Larder Lake break, 100 km south of Timmins, Ont., while KRL focused on its uranium projects in the Yukon.

The 145-sq.-km Copper Hill project had shown promising results during the sporadic exploration programs conducted over the past 15 years, but KRL never had the money post-Bre-X to fully explore it.

"I started to read through the reports and it looked really good," Blackburn says. "Uranium was on fire. . . but a lot of the projections for gold were positive."

Gold was going for just US\$600 per oz., but Blackburn was betting the price would rise. She told KRL she thought the property could be a standalone project for a new company.

"Instead of trickling along in small exploration programs — \$10,000 here, \$50,000 there — (we should) really hit it hard and go out the gate running," Blackburn says.

It was the end of April 2006 when Blackburn decided to form a company around Copper Hill. Golden Harp was incorporated on May 3 and the company acquired the property by the end of the month by issuing 10 million Golden Harp shares to KRL. The company has about 24.7 million shares outstanding.



BY SUSAN KIRWIN

"It was a pretty quick transition," Blackburn says. "Once I made the decision that we should go ahead with this, we ran full force."

She assembled a business-savvy board, including the past head of institutional sales for Merrill Lynch and a former president of Labatt Breweries,

and a management team with as much enthusiasm for the project as she had. But what was the best role for her?

Blackburn had negotiated a total of \$10 million in financings for KRL and **Logan Resources** (LGR-V, LGRAF-O) (the companies have the same CEO Seamus Young, who chairs Golden Harp's board), and prior to that, spent five years at the CNQ exchange. As the exchange was launched, she played a key role connecting it with the investment dealer community and managed the business development office in Vancouver, helping companies go public.

Blackburn thought hard about being the president CEO of the company she'd created — encouraged by the team she'd brought together. She was appointed in May 2008, following the company's over-subscribed \$3.2-million initial public offering in March.

"It took me a long time to actually say, 'Fine, I'm going to be the CEO, I'll do it,'" she says. "I weighed that heavily — every dollar that investors give me to put into the ground or do something with, that's a very serious responsibility to me."

Blackburn isn't alone in her pursuit to see the company succeed. The name Kevin Filo kept popping up through the historical Copper Hill reports, prompting Blackburn to track him down.

Filo, who was wrapping up work with

Pelangio Exploration (PX-V, PLGOF-O), told Blackburn the Copper Hill project had been keeping him up at night for 15 years. During the limited programs he'd run for KRL, Filo says gold mineralization was found nearly every time.

"You always feel you are very close and maybe the next hole is the one that brings in the big one," Filo says.

Filo was on board immediately; he had helped develop Pelangio's Detour Lake gold project in northeastern Ontario, which was spun out into a separate company in 2007 to better realize the project's value. With a similar strategy and a familiar property, Filo was looking forward to giving Copper Hill the attention it needed.

"We never had enough money to do it in style," Filo says. "The project had \$4.2 million spent on it over fifteen years. . . it isn't a lot of money."

By comparison, Golden Harp has spent about \$1 million in the last year. The company has completed three drill programs and is waiting on the results of the third before making its next move with \$1 million in cash in the treasury.

The Copper Hill property has very classic Archean geology. Gold has been associated with iron formations, green carbonates, narrow veins and porphyry intrusives.

The leading focus so far has been the MC zone, a green carbonate-hosted gold environment, which has indicated a bulk-tonnage target situation; near-surface intercepts with lower grades and thicker widths. The company has also been doing target generation to extend the strike of the iron formation.

Golden Harp has drilled about 4,500 metres this year and has also completed an induced-polarization (IP) geophysical



survey. Results for the first 1,000 metres came out in March, intersecting gold mineralization in a new target area identified by geophysics and historic data.

Results from the second round of drilling, released in June, stirred up some excitement: 10 of 12 holes returned gold values in the 2,000-metre program.

The focus was the historical Cook zone and a surface gold occurrence from a trench sample in 1994 associated with a broad IP target now known as the MC zone.

Highlights from the MC zone include hole GH-025, which intersected 43.8 metres grading 1.02 grams gold per tonne including 1.67 grams gold over 16 metres and 2.25 grams gold over 19 metres.

Hole GH-023, 40 metres south, returned a 12.9-metre intersection grading 1.17 grams gold and 28.3 metres grading 0.73 gram gold.

In the Cook zone, 10 holes were drilled to extend the strike length of the main gold occurrences found within carbonate-altered volcanics and fuschitic ultramafics in association with porphyritic intrusives. Drilling identified a new gold environment.

Hole GH-022 intersected 60 cm grading 1.75 grams gold on the northern side

of a dyke associated with the Cook zone; most historic drilling has been concentrated on the south side of the dyke.

Hole GH-021 cut 54 cm grading 3.44 grams gold per tonne in the upper contact of a gabbro intrusive with disseminated sulphides. The lower contact of the gabbro returned 53 cm grading 2.55 grams gold.

In September, Golden Harp finished off another 1,500 metres of drilling; three holes in the MC zone and two holes elsewhere on the property. So far, the company has tested 200 metres of strike length to a vertical depth of 400 metres.

Filo likes a lot of things about the Copper Hill project but he says the address tops the list. And the geology is right, too, he says. The reason is the past-producing Kerr Addison mine located near Virginiatown, about 70 km east of Copper Hill, which produced about 10 million oz. gold from the same type of rock.

"If you want to find gold mines, you hope that your project has gold in various environments and this project does," Filo says.

But Blackburn realizes that Golden Harp could use a little outside help in exploring the large property, which

stretches across six townships.

"We've been very active about talking with bigger companies with deeper pockets," Blackburn says.

And even though the markets have been rough lately, she says Golden Harp is prepared to weather the storm.

"It's really important to get out there and keep talking to brokers, keep telling the story, even when times are tough," she says. "You don't need to have fancy lunches; you can have a coffee and still tell your story."

Blackburn says the enthusiasm that she and Filo radiate has gotten the company some attention with brokers.

"They often say, 'We see hundreds of companies come through our door and the enthusiasm and excitement that you and Kevin convey about what you do every day is infectious.'"

And it's obvious that Blackburn cares about Golden Harp investors.

"I happen to be a shareholder just like they are. That's why I get up everyday," she says, then laughs. "I mean, that's not that only reason. I have a four and a half year old, I have a great life. But from a work perspective, I have a responsibility to these people to do the best we can to advance this company."