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A new golden age

Precious metal's rising price gives mining industry a rush

By BILL POWER Business Reporter

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Acadian Gold president & CEO Will Felderhof: "The province is on the cusp of entering an exciting new era with its gold industry."(Peter Parsons / Staff)

PREDICTIONS OF GOLD hitting \$2,000 an ounce over the next 10 years are spinning talk of a modern-day gold rush in Nova Scotia.

The lacklustre performance of the U.S. economy, as well as costly government stimulus packages around the world after the meltdown of financial markets, have prompted some experts to suggest gold prices will hit \$2,000 an ounce within a decade, if not sooner.

Nova Scotia once had a viable gold mining industry, and all this talk of soaring values for the metal has some junior resource companies here excited about the potential implications.

"The possibilities for bulk tonnage extraction in Nova Scotia, and continuing increases in the value of gold, are making the scene very interesting in this province," said Will Felderhof, president and chief executive officer at Acadian Mining Corp.

"The province is on the cusp of entering an exciting new era with its gold industry."

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The Halifax resource company took a significant step toward establishing a gold mine in eastern Nova Scotia last month, after it bolstered drilling to assess the commercial viability of gold reserves at its Beaver Dam deposit.

Mr. Felderhof said previous drilling indicated gold there.

The issue is designing an economically viable means of extracting the resource and then going to the financial markets for adequate capital to push the project forward, which is why rising gold prices are welcomed.

"We were very optimistic about Nova Scotia when gold prices were hovering in the \$900 per ounce range, so anything higher than that is like icing on the cake for us," said Mr. Felderhof.

He said he did not like indulging in predictions about prices over the next decade, but he sees gold prices hitting \$1,200 per ounce in a few months.

Nova Scotia companies involved in offshore exploration and mining also have good reason to be excited about positive predictions about gold prices.

Etruscan Resources Inc. has watched carefully as the value of the junior resource company's shares jumped from the 20-cent range up to the 50-cent range on the Toronto Stock Exchange over about six weeks.

President and CEO Gerald McConnell said this encouraging increase in share value has to do to with basic economic factors pushing up the value of gold and also an expected realignment in the marketplace of the relationship between share values of junior companies and larger operators.

"A prediction of \$2,000 per ounce within the next 10 years does not sound far-fetched. Some experts are predicting more significant increases," said Mr. McConnell.

Australia's DDV Gold Ltd. has received environmental clearance for a production start in January at the Touquoy gold project at Moose River.

The company recently indicated good results from test drilling at its site at nearby Cochrane Hill. Both sites have an estimated total resource of about 800,000 ounces, the company said.

During the Nova Scotia gold rush of the 1860s, the amount of gold reportedly mined in the province totalled 1.2 million ounces.

Gold was trading at about US\$1,062 late Wednesday.

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