

## Shebandowan gold belt could host 'big mine' potential



[Ian Ross](#)

Feb 9, 2023 4:26 PM



(Thunder Gold photo)

The Shebandowan area, west of Thunder Bay, is shaping up to be an emerging gold camp.

Senior executives from three exploration companies working in the area — [Goldshore Resources](#), [Thunder Gold](#) and [Kesselrun Resources](#) — participated in a Feb. 8 online panel discussions hosted by [6ix.com](#) on why this northwestern Ontario greenstone belt deserves more attention.

Greenstone belts, mostly made up of volcanic rocks, can host significant deposits of gold, nickel, copper, zinc and iron.

Two of the companies, Thunder Gold and Kesselrun, are at the exploration stage while Goldshore has a more defined resource in place and is straddling the line between exploration and mine development.

This area has favourable geology and an extensive exploration history, known for its nickel, copper and platinum group metal occurrences, but it hasn't seen as much mining activity as other regions in Northern Ontario.

[Sign up for the Sudbury Mining Solutions weekly newsletter here.](#)

The speakers said Shebandowan was often overlooked because of the lack of cohesion in getting a big picture view of how the minerals are dispersed. Being relatively close to Thunder Bay, there were several prospectors and small exploration outfits out on the land doing their own thing with smaller exploration plays.

Bigger companies eventually entered the picture and began consolidating these properties into large-scale land packages that offer economies of size and scale.

Michael Thompson, president-CEO of Kesselrun Resources, said the previous vendor of their Huronian Project, 100 kilometres west of the city, amalgamated the land from 14 different groups. It had hindered any kind of concerted exploration effort.

Acquired by Kesselrun in 2016, the 4,600-hectare property contains the former Huronian Mine, which produced 30,000 ounces of gold in the 1930s. After combing through the paper records and digitizing them, the company has been building a 3-D exploration model of the underground workings while finding new gold zones through geophysics and drilling.

Thompson's neighbour, Peter Flindell, vice-president of exploration for Goldshore Resources, said the prospects on their 14,300-hectare Moss Lake Project were stitched together like a "patchwork quilt."

Once in Noranda and Wesdome's hands, Moss Lake could become a district-scale complex of a low-grade, big-tonnage series of open pit mines, rolled out in phases. The company [released a resource estimate last fall](#) showing 4.2 million ounces at 1.1 grams per tonne (g/t), plus a higher grade version of 2.2 million ounces at 2.0 grams per tonne.

Wes Hanson, president-CEO of Thunder Gold, added the mindset of early gold explorers was to look for high-grade gold vein systems, as found in Red Lake, which made it difficult to put together a resource of sufficient size to start a mine.

His company's focus with its Tower Mountain Project, 50 kilometres northwest of the city, is to also develop a low-grade, large-tonnage project by "taking advantage of what nature actually put into the ground."

The company is using geophysics as its primary exploration tool and thinks Tower Mountain can become an open-pit operation, similar to Equinox Gold's Greenstone Project near Geraldton and First Mining Gold's Springpole Project under development east of Red Lake.

But to line up Tower Mountain as a long-lasting, multi-million-ounce producer, Hansen said they'll need another 150,000 metres of diamond drilling, on top of the 30,000 metres already in the books, with \$50 million in investment. Easier said, than done.

"This is a challenging business at the best of times," said Hansen. "You gotta use as many sources of information as possible to try and unravel the mystery of the rock. As a geologist, that's all the fun.

"It's like a murder mystery, but with a reward at the end."

Beyond good resources in the ground, location and infrastructure play a huge role in determining whether a deposit is economical or not.

The proximity of their Shebandowan exploration sites to highway, rail and power connections were hailed by the panellists as distinct advantages. Thunder Bay is an hour to an hour-and-a-half's drive from their properties. The city has a mining-oriented service and supply sector with a supportive university and college.

"Thunder Bay is a mining town, good support, good people," said Thompson.

[Want to read more stories about business in the North? Subscribe to our newsletter.](#)

With Moss Lake, Flindell mentioned "having the port right at Thunder Bay just makes it so much easier and cheaper to mobilize and build (a mine)."

All these advantages, Hanson said, help explorers reduce their discovery costs and ultimately keep their development and mining costs down as well.

"We're not dependent on taxpayer largesse to move our project forward," said Hanson, the former president-CEO of Noront Resources from 2009 to 2012, in a subtle dig at the stalled Ring of Fire development.

The companies have exploration camps on site but should the projects become mines, they'll source their workforce locally.

"I think it's a great business opportunity for the people of Thunder Bay," said Flindell. "The spinoffs from these kinds of businesses are huge."

A new gold resource estimate for Moss Lake and a preliminary economic assessment on what a mine could look like are due out this year.

Flindell is optimistic Moss Lake can be the size of Detour Lake Mine, north of Cochrane, one of Canada's largest gold producers.

"Ultimately, we believe there's 10 to 15 million ounces on this property," he said. "This is a major gold project and it's gonna be a big mine."

An online viewer question raised the issue of the ability of junior miners and developers to obtain government permitting in a timely fashion.

The panellists admitted the permitting process can be complex, but it's also predictable with a well-established system. It can particularly challenging in transitioning from an exploration play to a mine.

Depending on the scale of a proposed mine, it's mostly a provincial permitting matter. Anything above a 5,000-tonne-per-day operation and federal regulators get involved. Companies often look to scale their operation at a level that requires a provincial permit only.

The provincial permit application process itself is relatively straightforward: spell out to the province what the company's plans are and make sure to engage with First Nations.

Hansen said Canada's and Ontario's permitting processes provide "less drama" than other global jurisdictions he's worked in. Dealing with permits and land titles "doesn't keep me up at night"

Flindell, a new Canadian citizen, admitted Canada has strict requirements on permitting and "for very good reason," as there are multiple land users and all must be respected and their needs met. There are species at risk, fisheries aspects and potential archaeological sites. "All of these things need to be reviewed and addressed."

In realizing they had a three- to four-million-ounce resource on their hands, Flindell said they began environmental baseline studies early and reached out to build positive and collaborative relationships with local Indigenous and non-Indigenous communities.

There are plenty of issues at play, Flindell said, but it's about being "open, transparent and communicative."

Hanson said shoring up Indigenous support is an "absolute necessity" in keeping communities abreast of upcoming field work to ensure it doesn't interfere with Indigenous hunting, fishing and trapping rights. Working with Indigenous people is just a reality of modern exploration, he said.

---

---

**Comments** <sup>(0)</sup>

---