

NORTHERN MINER On Line April 27 2004

Partners target Éléonore South anomaly.

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Goldcorp (G-T, GG-N), Eastmain Resources (ER-TO - News), and Azimut Exploration (AZM-V, AZMTF-O) have signed a [letter of intent](#) to jointly explore a promising gold-and-arsenic-in-soil anomaly that straddles the Éléonore claim block and adjacent Azimut C block in the James Bay region of Quebec.

The plan calls for Goldcorp to chip in 43 sq. km of land at the southern end of the recently acquired Éléonore [property](#), along with the 18-sq-km Éléonore South B block, about 2 km to the east. Azimut will contribute its 87-sq.-km C block to the new Éléonore South property.

Under a deal inked in early 2005, Eastmain can acquire up to a 65% stake in the Azimut C block by paying \$160,000 in cash, issuing 30,000 [shares](#) and spending \$2.7 million on exploration over 5 years. It must also deliver a bankable feasibility study.

Under the three-way deal, Eastmain, which will act as operator, can take a third of Éléonore South by spending \$4 million on exploration over 4 years. Azimut and Goldcorp will each retain a third of the property. Eastmain can boost its stake to 40% by completing a bankable feasibility study.

The partners initially plan to spend at least \$1 million extending Eastmain's current soil-geochemical surveys to the north over parts of the new block and in-fill sampling across the presently defined anomaly. Diamond drilling will then follow up on targets defined by a program of prospecting, geological mapping, trenching and sampling.

Previous soil sampling by Eastmain on C block yielded gold grades from 0.005 gram to 1.24 grams gold per tonne, with a continuous anomaly stretching some 7 km. Eastmain says the anomaly is comparable in size and magnitude to the one that led to the discovery of its Eau Claire gold deposit -- with an indicated resource of 1 million tonnes running 9.46 grams gold, plus 3 million tonnes of inferred material grading 6.9 grams. The anomalies are underlain by the same rock formations found at the Roberto zone on the Éléonore property.

In a related deal, Goldcorp will buy 2 million Eastmain shares at 70¢ apiece and 2 million flow-through shares at \$1 each. It will also pick up 1 million warrants for each of the company's common share and flow-through warrants, exercisable at 80¢ per share and \$1.25 per share for one year. In the end, Goldcorp would own 9.9% of Eastmain on a fully diluted basis.

At least \$2 million of the proceeds must be spent on the Éléonore South Property. The private placement is subject to regulatory approval, after which Eastmain and Goldcorp have agreed to extend their [strategic](#) alliance for another 5 years.

Goldcorp wrapped up its US\$425-million acquisition of the Éléonore project and Virginia Gold Mines at the end of March. That deal saw the creation of Virginia Mines (VGMNF-O), which inherited all of Virginia's remaining exploration assets in addition to a 2% sliding-scale net smelter return royalty on all production from the Éléonore property.

The main Roberto deposit remains open both along strike and at depth. Goldcorp has four drill rigs running on the property, and is reviewing all existing core logs. Some 70% of the 212 drill holes completed on the property so far have yielded assays exceeding 10 grams gold per tonne. Site access and environmental studies are also underway.

Earlier this year, Goldcorp picked up a 9.9% stake in Éléonore neighbour Beaufield Consolidated Resources (BFD-V) for \$3.4 million. Beaufield's 56-sq.-km Opinaca property is sandwiched to the northeast and southwest by Éléonore. It is home to several gold and arsenic anomalies.

Shares in Eastmain were 12¢, or more than 16%, higher at 85¢ in afternoon trading in Toronto following the news on Apr. 27; Azimut was 14¢, or 8%, better at \$1.90 on the Venture Exchange. For its part, Gold was off 89¢, or 2.3%, at \$38.21.