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## Aurizon Mines gets busy in July

July has been a busy month at **Aurizon Mines** (ARZ-T, AZK-N). On July 5, the Vancouver-based gold producer unveiled that it had significantly updated its resource for the Hosco gold deposit on its Joanna property in Quebec. And a day later, it announced a joint venture and option agreement with **NioGold Mining** (NOX-V, NOXGF-O) on its Marban Block property in the Malartic gold camp in Quebec's Abitibi region.

The Joanna property, which is about 20 km east of Rouyn-Noranda, now has measured and indicated resources at a 0.5 gram gold per tonne cutoff grade of 40.44 million tonnes averaging 1.33 grams gold per tonne for 1.73 million oz. gold, up from a November 2009 estimate of 30.08 million tonnes at 1.33 grams gold for 1.29 million oz. gold.

The increase comes from outside the pit outline used in the December 2009 prefeasibility study and the lateral extensions between surface and a depth of 100 metres.

Inferred resources gained 11% or 91,000 oz., and now stand at 23.17 million tonnes of 1.19 grams gold for contained gold of 887,000 oz., up from the previous estimate of 20.81 million tonnes of 1.19 grams gold for 796,000 oz. contained gold.

Separately, Aurizon's agreement with NioGold allows it to earn a 50% interest in the Marban Block, subject to underlying royalties, by spending

\$20 million over three years, of which \$5 million must be spent in the first year. Aurizon also has to complete an updated resource estimate and based on that, make resource payments equal to \$30 (or \$40 if the price of gold is above US\$1,560 per oz.) multiplied by half the number of gold oz. in the measured and indicated category, and a further \$20 (or \$30 if the price of gold is above US\$1,560 per oz.) multiplied by half the number of gold oz. in the inferred category, based on the updated resource estimate.

Aurizon can then earn an additional 10% interest by completing a feasibility study and a further 5% for a total of 65% by arranging financing to bring the project into production.

NioGold will be the operator during the initial earn-in period and Aurizon will weigh in on the exploration program. Aurizon will become the operator after it earns its half in the project.

David Hall, Aurizon's chief executive, noted the arrangement with NioGold was part of its strategy to put together a portfolio of properties at various stages of development to complement the company's gold projects: Casa Berardi and Joanna.

Aurizon's priority at Marban will be extending resources that can potentially be mined by open pit.

A December 2009 resource estimate on the Marban Block included in a report

prepared for NioGold in March by Michael Gustin of Mine Development Associates in Reno, Nev., outlined indicated resources of 598,000 oz. gold and inferred resources of 361,000 oz. gold.

According to Gustin's report, resources have been defined along a 3-km portion of the Norbenite-Marbanite fault zone, in and around the former Marban, Norlartic and Kierens gold mines, which collectively produced about 600,000 oz. gold.

The report divided Marban's resources between open pit and underground. At a 0.5 gram gold cutoff grade, Gustin estimated open-pit indicated resources of 6 million tonnes grading 1.6 grams gold for 303,000 oz. contained gold, and inferred resources of 4.4 million tonnes at 1.3 grams gold for 179,000 oz. contained gold.

Underground resources were calculated using a 2.5-gram gold cutoff grade and reached 2.1 million tonnes at 4.3 grams gold for 296,000 oz. contained gold in the indicated category, and an additional 1.5 million tonnes grading 3.9 grams gold or 182,000 oz. gold in the inferred category.

At presstime, Aurizon was trading at \$5 per share. The company has a 52-week trading range of \$3.63-\$5.98 and 159.56 million shares outstanding.

NioGold shares were 28¢, trading within a 52-week band of 17¢-42.5¢. The junior has 72.87 shares outstanding.