

## A Prospective Project Generator

Richard (Rick) Mills  
[www.aheadoftheherd.com](http://www.aheadoftheherd.com)

As a general rule, the most successful man in life is  
the man who has the best information

Junior exploration companies raise money to acquire and explore a property while praying/hoping the first drill hole, or maybe the next one, is the big discovery everyone's looking for. Without internally generated positive cash flow our juniors are money-eating machines constantly having to go to the market to raise capital through equity offerings. But for an investor the resulting share dilution to acquire and explore property after property, continually looking for that discovery, means your return on any such eventual find is diluted down with each financing.

However there are companies in this sector doing things a little different than the mainstream, they're called "Project Generators." Project generators, after finding and securing a property, do the initial mapping, sampling and maybe a small drill program. Upon making a discovery, basically finding something of interest, they turn it over to a joint venture partner who puts up the money and or it's own shares to earn into the property over a number of years while investigating the discovery.

Yes the project generator's shareholder's eventual ownership of a discovery is diluted, BUT, their ownership in the prospect generating company is not diluted because there is very little dilution of the generators outstanding shares. This is because the exploration/development expenses are paid by the partner, not the generator.

Unfortunately most junior sector investors tend to believe that the company is selling the farm and giving away the chance of a multi times return on their investment. A property ownership dilution business model is not as well liked as the much more common share dilution model.

The typical joint venture deal requires the incoming partner to spend a certain amount of dollars over a fixed period of time to initially earn a 50-60% piece of the property. In an ideal situation (advancement of the property down the development path towards building a mine), the JV partner earns themselves an increased interest by completing certain milestones within the negotiated timeframe. Our prospect generator is thereafter required to fund a smaller portion, say 30%, of the development costs or further dilute their interest. This 30% of a defined resource has cost investors relatively little in terms of share dilution and the bang for their buck is the same or greater than if their company had repeatedly gone to the market for equity financings. But our prospect generator offers two other things that should be considered....

- The project generator could take this approach time after time on different projects, at the same time, with relatively little dilution. Prospect generators do not have to concentrate limited resources and stretch themselves to cover one or two projects. And if one of their projects does go bust, well they always have a few more simmering on the front burners.

- If at first you don't succeed try and try again, the same project may be joint ventured many times, each new company trying a different geological model and approach before success is ultimately achieved.

The more projects found and partnered off, the more likely project generator shareholders are to participate in a big discovery while their company successfully preserves the treasury and keeps share dilution down to a minimum. This is the power of, and how, the joint venture model is supposed to work, exploration and hopefully future development of project after project is funded using OPM - other people's money.

Most investors in project generators do so because they understand searching for a deposit and actually building a mine with it is a long, difficult and extremely expensive road to travel and that the trip can take many years and many millions of dollars, sometimes tens of millions of dollars.

But investors in project generators can take a business like approach to maximizing their exposure to many different quality projects that offer the opportunity for the much coveted and sought after multi times return on invested capital while preserving close to their original ownership interest. And that's an attractive proposition!

Cariboo Rose CRB.TSX-v

Cariboo Rose is a project generator and is, in the authors opinion, a logical choice for further due diligence by investors looking to participate in gold and copper exploration in Canada, specifically the Province of British Columbia's Quesnel Trough.

In the last three years, Cariboo Rose and its joint venture partners have spent more than \$ 6.0 million on exploration—75% of this money has been funded by its partners. That means for every dollar spent on the company's properties it has only used 25¢ of its own money. Over the life of the company, partners have funded over 80% of the exploration costs.

Quesnel Trough

The Quesnel Trough is a large regional depositional belt extending over 1200 kilometers through the central part of the province of British Columbia, Canada. It encompasses most of the operating mines in the province as well as most of the projects at the pre-feasibility and feasibility stages of

development. The region hosts several large tonnage copper-gold porphyry type deposits including Imperial Metal's Mt. Polley Mine, Terrane Metal's Mt. Milligan deposit and Northgate's Kemess Mine. In addition, Taseko's Gibraltar Cu-Mo mine lies just outside the Quesnel Trough.

The lion's share of exploration dollars in the province is being spent in this geological belt. The Quesnel Trough has become one of BC's most sought-after exploration/developmental targets due to the large number of porphyry copper-gold and skarn occurrences.

#### Centerfold Project

The Woodjam copper-gold-molybdenum project is in south central British Columbia approximately 50 kilometers east of Williams Lake.

An IP study performed in 2007 gave evidence that a large intrusive/hydrothermal complex measuring approximately five kilometers by six kilometers underlies the Woodjam property, with at least three large IP chargeability anomalies.

This geophysical survey data dramatically expanded the area of interest for exploration on the Woodjam property and suggested a much greater potential for discovery than previously envisioned. Northeasterly trending geologic features have long been considered important in determining the location of large mineralizing systems in the generally northwest trending Quesnel Trough. Interpretation of this data suggests that such a feature is present and is aligned with the known mineralized areas on the property.

The Woodjam project is a joint venture between Fjordland Exploration Inc. with a 60% interest and Cariboo Rose with a 40% interest. The land holdings measure up to 40 kilometers east/west and 30 kilometers north/south encompassing approximately 48,000 hectares.

Mineralization is calc-alkalic porphyry style with higher than average grades for a Quesnel Trough porphyry. Chalcopyrite is the dominant copper mineral but boronite is also present. Gold mineralization is directly correlated with copper, where there's copper there's gold.

The Woodjam property has four large mineralized target areas that cluster together within a 4.0 x 3.0 kilometer area.

Megabuck: Hole 04-32 intersected 274 meters of 0.14% copper and 1.03 g/t gold and hole 04-37 intersected 233 meters grading 0.14% copper and 1.01 g/t gold. This zone is prospective for a large, near-surface gold-copper deposit. There is a high gold to copper ratio.

Deerhorn: A new discovery in 2008. Hole 08-93 intersecting 0.25% copper and 0.62 g/t gold over 51 meters. The first 2 drill holes tested an 800 m by

400 m geophysical anomaly and intersected copper and gold mineralization with similarities to the Megabuck

Takom: Hole 08-87 intersected 71 meters of 0.34% copper and 0.60 g/t gold. The Takom is a large copper-gold mineralized area with limited drilling. A 2008 IP survey significantly expanded the target zone to the southwest.

Southeast Zone: Hole 08-84 drilled 201 meters of 1.01% copper, 0.44 g/t gold and 0.002% molybdenum. This zone has extensive copper-gold-molybdenum mineralization. Drilling has intersected mineralization from bedrock to end of hole in all 18 holes

The over 48,000 hectare property is located east of Williams Lake near the town of Horsefly in a low elevation terrain with moderate topography, is bisected by a well-maintained network of logging roads and is amenable to drilling on a year-round basis.

All needed infrastructure - power, water, rail, supplies and major highways are close by. There are many operating mines in the area and locals are very receptive to resource extraction as a way to make a living. There is an experienced trained labor pool to draw from in the nearby towns of Likely, Williams Lake and 100 Mile House and supplies are easy to access.

On their Woodjam property Cariboo Rose is targeting mineralization similar to what occurs at Cadia Hill in Australia (Newcrest Mining Limited) and the Kemess deposit in British Columbia (Northgate Minerals Corporation). Cadia Hill commenced production in 1996 with a resource of 210 million tonnes grading 0.72 g/t gold and 0.18% copper while Kemess commenced in 1999 with a resource of 200 million tonnes grading 0.22% copper and 0.63 g/t gold.

Both Cadia Hill and Kemess started production in a time of much lower metal prices than today's.

#### Other Projects

The Cowtrail property is in the Cariboo Mining district, adjacent to and north of Cariboo Rose's Woodjam property. The Cowtrail is under option to Dajin Resources Corp., who may earn a 65% interest in the property. There is potential on the property for a gold-rich porphyry style mineralization.

The Carruthers Pass copper-zinc-silver property is in north-central British Columbia, approximately 70 kilometers south of the Kemess gold-copper mine and 200 kilometers north of Smithers. Initial work by past junior partners has outlined numerous targets. A block of massive sulphide with significant values in copper, zinc, silver and gold was discovered protruding from a talus apron on the property by Phelps Dodge Canada. Hawthorne Gold conducted a program at Carruthers Pass in the summer of 2008 to follow up

on the source of this boulder with results still pending.

The Pat property is in the Cariboo Mining district and adjacent to the company's Woodjam property. It was recently optioned to Astorius Resources Ltd. The Pat claims cover a porphyry copper-gold target centered on a strong airborne magnetic anomaly similar in size and intensity to that at Imperial Metals Mt. Polley mine. The property claim also covers a peripheral induced polarization anomaly defined by Cominco Limited in 1991. Astorius will be conducting a drill program on the Pat property in 2009.

The Canadian Creek copper-gold-molybdenum property is in Canada's Yukon Territory, and is located approximately 300 kilometers northwest of Whitehorse and 160 kilometers south of Dawson City. This property, which has the potential to host a porphyry style or an intrusion-related deposit, is located to the immediate west of and adjacent to Western Copper Corp.'s Casino deposit.

#### Country Risk

One of the most serious and unpredictable risks facing mining operations and investor interests is "country risk" - where the political and economic stability of the host country is questionable and abrupt changes in the business environment could adversely affect profits or the value of the company's assets.

The Fraser Institute, in conjunction with the Prospectors and Developers Association of Canada (PDAC), has just released their excellent must read annual "Survey of Mining Companies 2008/2009."

[http://www.fraserinstitute.org/Commerce.Web/product\\_files/MiningSurvey20082009\\_Cdn.pdf](http://www.fraserinstitute.org/Commerce.Web/product_files/MiningSurvey20082009_Cdn.pdf)

Country/political risk in British Columbia, Canada is considered extremely low.

With the recent reelection, for the third term in a row, of the Liberal Party, the province of British Columbia will remain open to resource extraction and continue to be mining friendly.

#### Shares Outstanding (November, 2008)

|                        |                               |
|------------------------|-------------------------------|
| Issued and Outstanding | 25,498,577                    |
| Stock Options          | 2,545,000                     |
| Warrants               | 1,250,000 (expire June 2009)  |
| Fully Diluted          | 29,293,577                    |
| Held by Management     | 5,362,308 (Approximately 18%) |

## Treasury

The company remains well financed with no debt and a working capital position of approximately \$650,000.

The last decade has seen a pine beetle problem that has devastated the forest in the area. The northern part of the Provinces economy has been based almost exclusively on logging but because of the recent Lodge Pole Pine Beetle infestation and the resulting destruction of a large part of the working forest the Liberal government is actively trying to diversify the northern economy and mining is hoped to play a large part in the plans success. The upside of BC's pine-beetle infestation is a government rebate, the Mineral Exploration Tax Credit (METC), a 30% rebate on exploration hard dollars spent in declared bug kill areas of the province.

Cariboo rose is eligible to apply for the METC rebate on their 40% of work commitment dollars to be spent on the Woodjam Project.

## Management

Cariboo Rose is part of the Eastfield Group, (Other affiliated companies in the group include Eastfield Resources Ltd. ETF.tsx-v and Lorraine Copper Corp. LLC.tsx-v a family of companies with the same experienced "boots on the ground" management team of geologists.

William (Bill) Morton, M.Sc, B.Sc., P.Geo.  
Position: President, CEO and Director

Bill has been employed as a professional geologist for over 30 years. Prior to starting Eastfield Resources, he held positions with several mining companies such as Giant Mascot, Sumitomo and Imperial Metals. In 1987 Bill merged his geological consulting practice with Glen's, and together they formed Eastfield Resources.

Glen Garratt, B.Sc., P.Geo.  
Position: Vice President, Secretary and Director

Glen has been employed as a geologist in mineral exploration for over 35 years. His previous employers included several major companies such as Placer Dome, Amoco, and Norcen. In 1979 Glen formed an exploration and consulting firm that operated from offices in Reno, Nevada and Kamloops, BC. In 1987 he merged his consulting practice with Bill's, and together they formed Eastfield Resources.

## Conclusion

Both Bill and Glen have been in the resource industry for many decades, they have seen the good times and the bad. They know how to successfully

manage the prospect generator model - preserve the treasury, keep share dilution down to a minimum, secure high quality projects and the joint venture partners to work them.

If you're the kind of investor who is interested in taking a more business like approach to investing in the junior sector then Cariboo Rose CRB.TSX-v is, with it's project generator business model, in this author's opinion, worth spending more of your due diligence time on.

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If you're interested in the junior resource market and would like to learn more please come and visit us at.  
<http://www.aheadoftheherd.com/>

Richard (Rick) Mills  
[www.aheadoftheherd.com](http://www.aheadoftheherd.com)  
[rick@aheadoftheherd.com](mailto:rick@aheadoftheherd.com)  
[Archives](#)

Bio - Richard is host of [www.aheadoftheherd.com](http://www.aheadoftheherd.com) and invests in the junior resource sector. His articles have been published on over 40 websites including - Wall Street Journal, Kitco, USAToday, Safehaven, SeekingAlpha, The Gold/Energy Reports, Gold-Eagle and Financial Sense.

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