

**MacMillan Gold Corp (MMG-V \$0.34)**

The company released drill results from Phase I and II drilling on the Santa Rosa – San Leonidas trend at the Cerro de Oro property, Mexico.

As one Member and astute MMG shareholder noted, "isn't it important at this stage to find evidence of a mineralizing system rather than pin hopes on a big strike?" (Sorry if I've paraphrased you, Christ!)

It is, and the results show evidence of a mineralizing system. What is probably important to realize is that the drilling from Santa Rosa off to San Leonidas gets further and further away from the known heat source necessary to get those mineralizing fluids going.. There should be another source at San Leonidas, along with a structural conduit as evidenced from the geology map, but hardly any work has been done in this respect in this area.

As far as (known) heat sources go, you can't get better than Santa Isabel, at the southerly end of the trend, and coincidentally where the most active previous mining was found (and where I took at 1.475 kg/t silver sample). More on that later – now that the following Santa Rosa trend drilling is out of the way, we can hopefully concentrate on exploring those interesting southern reaches.

- ✂✂ Hole 1 hit nicely elevated gold and silver values on either side of a 6m open stope; 0.74 g/t gold and 18 g/t silver over 43m highlights a mineralizing system.
- ✂✂ Hole 2 hit no values of economic consequence, but a good correlation exists between silver and lead values over a 9m zone. This is mineralogically interesting in the context of Mexican carbonate-replacement deposits, in which case we may be able to use it as a directional signpost to a rich stuff-of-legend chimney. Actually, a stuff-of-legend chimney in the Mexican sense is one that doesn't get smaller after 50 years of continual mining. We're not there quite yet at Cerro.
- ✂✂ Hole 3 hit 1.55 g/t over 3 m with 98 g/t silver in the Santa Rosa zone.. High lead values suggest the silver is in a mineral 'galena', typical for Mexico and neighbour Western Silver. This hole was deepened in Phase II because the bottom of the hole ended in >0.1 g/t gold and 73 g/t silver.
- ✂✂ Hole 4 tested a blind area north and east of the Santa Rosa target. The hole hit one interval of 0.25 g/t gold and 15-g/t silver; we can let it stay blind.
- ✂✂ Hole 5, again drilled on the Santa Rosa trend, hit an anomalous value of < 0.3 g/t gold over 45m. There was no appreciable silver on the 'hanging wall' of the old open stope; interesting in that this is where we found such a zone in hole 1.
- ✂✂ Hole 6 tested part of the Santa Rosa trend lacking glory holes into which to fall. Does this mean the structure continues but the Santa Rosa veins don't? Possibly, as the hole hit altered volcanic rocks in which an average of 0.303 g/t gold was found over 25m. The best silver value was a spot high of 42 g/t.
- ✂✂ Hole 7 tested the south extension of the San Leonidas target. This was essentially a wildcat hole testing structural continuity off an educated guess. The hole hit 82m of elevated gold and silver grades; the best intersection was 52m of 0.228 g/t gold and 30.2 g/t silver. There is the smoke; where's the fire?
- ✂✂ Hole 8 tested San Leonidas and hit slightly elevated gold and silver values in volcanic rocks; hole 9 tested an ultimately barren northeastern extension of San Leonidas. .
- ✂✂ Hole 10 intersected a mineralized zone from 48.7m to 146.4m with gold values all greater than 0.1 g/t. Data show a sharp demarcation at both the upper (0.065 to 0.130) and lower (0.361-0.065) ends of the interval, so something is going on! Values run to 0.90 g/t over 3m; the average for this almost 100m interval is 0.18 g/t. Nicely anomalous; more smoke (where's the fire?). The silver runs to 95 g/t over 3.04m but the bulk of values are between 10 g/t and 30 g/t.

Jim Steel MBA P.Geo. – off to the Mining Investment Forum in Denver!