

## **Oriental Minerals Inc. – Sangdong Results**

**Oriental Minerals Inc. (OTL-TSX-V \$3.13)** - OTL just released the rest of their first drill hole at the Sangdong Mine in South Korea. This is an important development for the company. As I mentioned in my initial report on the company ([http://www.grandich.com/docs/GL\\_02-28-07\\_otl.pdf](http://www.grandich.com/docs/GL_02-28-07_otl.pdf)), the Sangdong Mine has the makings of being not only a company maker for OTL, but a showcase for the Longview portfolio to date.

The initial results, released in news releases on March 1st and April 4th, are quite impressive.

Why?

The Sangdong mine was one of the world's largest operating tungsten mines from 1947 – 1992. Korean Tungsten, the operator at that time, mined for some 45 years a 5-6 meter thick, high-grade vein for tungsten. This vein runs right through the middle of a relatively flat lying, 165-meter thick skarn. It has been the theory of OTL's that the entire skarn may be of an ore grade, allowing bulk mining or open-pit mining methods. It's interesting to note something I just learned of, that if this theory pans out, the company already has intentions of quarrying the overlying limestone to be sold to the construction industry – substantially reducing the amount of "waste rock". And let's not forget, there is a large (120M tonnes of 0.13% MoS<sub>2</sub>) historic (non NI 43-101) resource of molybdenum reported, yet unexploited underneath the skarn just to the northwest of hole SD-01.

What does hole SD-01 tell us?

### **The Moly**

Just when molybdenum seems to be enjoying the limelight, Oriental Minerals has encountered strong grades of molybdenum and tungsten mineralization throughout the skarn and molybdenum below. Looking at both the results from March 1 and April 4 (all of SD-01), we can see that as originally hoped by the company, the skarn is indeed mineralized, not only with tungsten, but molybdenum as well. Out of some 67 meters reported, there are significant widths and grades of Mo – including up to 22 meters of 0.11%. The remaining assays from the skarn (April 4) also reported significant intercepts of >0.10% Mo. Below the skarn, this first hole hit some 16 intercepts of >0.10% Mo with widths

of up to 11 meters and grades of up to 0.18%. Of the 67 hole (100 x100 meter spacing) Phase 2 drilling that is due to begin soon, 24 of the holes are targeted to the historic molybdenum zone thought to be located on the northern portion of the proposed pit outline (northwest of SD-01).

### **The Tungsten**

As with the molybdenum, there were a dozen significant intercepts of >0.10% tungsten trioxide (WO<sub>3</sub>), of significance was a reported 22 meters of 0.87% (WO<sub>3</sub>). Remember, that Korea Tungsten mined the Main Vein, which is 5-6 meters thick, grading 0.50% WO<sub>3</sub>, for 45 years!

### **The Grade**

I refer back to my leap of presumption from my report back in February in which I assumed that a grade of 0.1% WO<sub>3</sub> and 0.1% Mo throughout the skarn package would make for a world-class, open-pit deposit (feasibility even better now that I have learned of the possibility of selling off the limestone waste rock). From the assays reported now through the whole skarn, I am comfortable that they have indeed hit this bulk mineable material. But, it is only one hole so what's next?

### **Size**

This is only one drill hole with great results. We have yet to see what kind of area this deposit covers and what kind of consistency in thickness and grade is to come. As mentioned, the company intends to begin soon and complete before the end of the year, a 67-hole program to do just that. It is important to note that while this is only the first hole, it is not a discovery hole in a brand-new area. This skarn package has, in the sense that 6 meters of it has, been mined extensively for 45 years and there is ample amount of historical data and geology from which the company has to work. In other words, there is a lot of evidence as to where this mineralization runs. I am presuming that this is how the proposed pit outline really came about.

### **The bottom line**

OTL has validated the first step in their hopes that this historic mine can be bulk mined by open pit with these results indicating that the whole skarn package is mineralized and there is significant molybdenum mineralization below. I will be monitoring closely over the upcoming weeks the results from the blanket of holes that are needed to validate size, and the results from the holes targeting the deep moly zone.