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SENIOR GEOLOGIST

Capstone Mining Corp is looking for a senior geologist to join its team based in Vancouver, BC. This highly motivated, professional geologist must have strong computer skills and experience in modeling active mining and exploration projects and writing 43-101 compliant reports. This person must be a registered professional geologist or have the ability to become a P. Geo in BC.

The main duties of the position include providing modeling and geological expertise for the company's 3000tpd underground copper mine in Mexico, managing the exploration data flow including QA/QC, and being a member of the acquisition team working to achieve the company's growth plans.

The position reports to both the VP of Exploration and the VP of Operations. Some travel for site work and property evaluations will be required. Fluency in Spanish would be an asset.

Capstone will offer a competitive salary including benefits plus annual and long term incentive plans.

Capstone has a strong balance sheet with over \$135 million in working capital and no debt. More details about the company's operations and balance sheet can be found at the company's website -www.capstonemining.com.

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EnCana

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division stand on its own speaks to a maturation of the projects.

The move also may silence those protesting against Alberta's recently revised royalty regime — one of the chief opponents of which was EnCana.

Chief executive Randy Eresman was vociferously against the changes when meetings between industry and the province were under way last fall.

Eresman said at the time that the company could pull \$1 billion in capital spending if the higher royalties were instated.

The royalties were introduced, but rather than pull capital from the province, EnCana now says it will pour more money into it in the form of increased oil and natural gas drilling.

Oil prices north of US\$130 per barrel have a way of soothing over frayed relations with the government.

And while packaging the natural gas projects in Alberta with the integrated oil company will mean that the remaining EnCana gas company will fall from its perch as the number one natural gas producer in North America, EnCana says its pipeline will get it back into the top spot within two years.

To make those gains, it is largely banking on production ramping up at its Amoruso field

in East Texas.

As for the integrated oilsands company, production and refining is expected to bring in \$2 billion a year in free cash flow that will in large part go towards expanding refineries in Illinois and Texas over the next two years.

Those refineries are part of the company's equally held joint venture with **ConocoPhillips** (COP-N).

EnCana was created only six years ago via a merger between PanCanadian Petroleum and Alberta Energy.

PanCanadian was the product of Canadian Pacific's significant landholdings in what is now the oilsands region.

Pacific was granted the land by the federal government back when it was trying to encourage railroad construction.

Alberta Energy was also built on the back of government grants. Created by the provincial government in the mid-1970s, it was given crown mineral rights and various other business interests in the province, helping to make it the country's biggest natural gas company.

And while both companies had oil assets, the new company focused on natural gas, as oil assets were in the capital-intensive oilsands, and oil prices were south of US\$30.

How quickly things change.

Paramount set to redo San Miguel estimate with host of new results



The core warehouse at Paramount Gold and Silver's San Miguel project. The property is located in the Guazapares mining district of southwestern Chihuahua, part of Mexico's silver-rich Sierra Madre Occidental belt.

BY GWEN PRESTON

VANCOUVER — **Paramount Gold and Silver's** (PZG-T, PZG-X) San Miguel project has produced an impressive set of drill results over the last year, boosted in large part by the results out of the newly discovered Clavo 99 zone, part of the San Miguel vein.

Even though the vein is the project's namesake, Paramount had been working the project, in Mexico, for more than a year before sending drills to test San Miguel. The vein is home to several shallow old mine workings that, according to local miners, delivered high precious metal grades.

The first four holes into San Miguel returned strong gold and silver grades. Hole 1 cored 30 metres grading 0.32 gram gold per tonne and 113 grams silver from 42 metres down-hole, followed directly by 14 metres of 2.99 grams gold and 149 grams silver. Hole 3 cut 13.6 metres grading 0.48 gram gold and 410 grams silver.

The next set of drill results made Paramount geologists think the structure was likely a clavo: a mineralized body within a vein with small dimensions but high grades. As such they named a new, high-grade zone within the vein Clavo 99. The zone returned strong results: hole 13 hit 1.6 metres grading 6.39 grams gold and 172 grams silver from 122 metres depth, hole 15 cut 1.9 metres of 3.3 grams gold and 503 grams silver followed by 6.7 metres of 4.32 grams gold and 572 grams silver, and hole 18 hit 5.7 metres grading 0.1 gram gold and 292 grams silver followed by 12.6 metres of 1.53 grams gold and 41 grams silver.

Subsequent results have been similar. Hole 20 cored 3.7 metres grading 1.23 grams gold and 834 grams silver from 118 metres down-hole. Hole 34 returned a longer interval: 38.2 metres grading 0.66 gram gold and 18.58 grams silver. And in early May, hole 35 returned 28.3 metres grading 1.84 grams gold and 75.95 grams silver from 145 metres, including 10 metres of 4.09 grams gold and 106 grams silver.

The San Miguel project is in the Guazapares mining district of southwestern Chihuahua, part of Mexico's silver-rich Sierra Madre

Occidental belt. As is typical of the belt, mineralization at San Miguel consists of multi-phase epithermal, low-sulphidation, silver-gold vein and hydrothermal breccia deposits. At San Miguel, mineralization occurs within a northwest-trending, steeply dipping complex fault zone with an 8-km strike length.

Mining is not new to the Guazapares district or to San Miguel. Workings date as far back as 1620, though the main phase of historical mining took place between 1860 and 1900. The area had not seen any modern exploration until Paramount began its mapping, trenching, and drilling programs in early 2006.

Paramount initially focused on the southern half of the fault complex, drilling 53 holes in a year on the San Jose, San Luis, San Antonio, and El Carman zones. A resource estimate early last year calculated those areas held 4 million inferred tonnes grading 272.2 grams silver.

In 2007, Paramount wanted to upgrade and expand that resource while also drill-testing other targets on the property. The company was successful on both fronts.

Drilling in the San Antonio-El Carmen central portion of the main fault zone returned numerous high-grade intercepts. Hole 19 cored 61.9 metres grading 184 grams silver, 0.18% lead and 0.33% zinc. Hole 20 cut 36 metres from surface grading 113 grams silver, 0.06% lead and 0.14% zinc, and hole 25 returned 10.2 metres of 468 grams silver, 0.36% lead and 0.45% zinc from 40 metres down-hole.

While drill results lengthened the defined strikes of the mineralized zones in the southern half of the fault complex, Paramount also started exploring north, along the complex and to the northwest. Some 1.5 km north of San Antonio, in an area home to old mine workings and attractive surface geochemistry, trenching followed by diamond drilling defined a new zone called La Veronica, home to a narrow, high-grade vein.

Drilling at La Veronica outlined a

700-metre strike length and followed mineralization to a depth of 70 metres (and still open). Hole 13 returned 13 metres grading 0.05 gram gold and 65 grams silver, hole 14 cut 4.3 metres grading 0.08 gram gold and 165 grams silver, and hole 11 cored 0.9 metre of 0.71 gram gold and 114 grams silver.

North of La Veronica, Paramount uncovered the Montecristo zone, part of a rhyodacite dome complex hosting gold and silver as veinlets and disseminations. The first 11 diamond-drill holes into Montecristo intercepted eight veins averaging 1 metre in width and cut five silicified breccias averaging 28 metres in width. For example, hole 2 hit both: a 29.7-metre intercept from 15 metres down-hole assayed 0.05 gram gold and 61.78 grams silver, and a 1-metre intercept at 93 metres depth returned 0.43 gram gold and 326 grams silver.

West of Montecristo, still within the rhyodacite dome, Paramount also started defining the Guadalupe de Los Reyes area, where higher precious metal grades are associated with northeast and northwest-trending fault zones. The best surface samples returned 6.64 grams gold and 10 grams silver over 5.4 metres; underground sampling from accessible portions of an old, small-scale mine returned 18.5 grams gold and 64 grams silver over 1 metre.

Paramount listed on the TSX in late August, having previously traded on the OTC Bulletin Board, the Frankfurt Stock Exchange, and the American Stock Exchange. Since listing, its share price has ranged from \$1.15-2.90; it currently sits around \$1.70.

Trading in the company was halted for much of April because the U.S. Securities and Exchange Commission (SEC) determined Paramount was one of 26 companies trading under Cusip numbers that were invalid, having they had "usurped the identity of a defunct or inactive publicly traded corporation."

Paramount's board determined that the reincorporation of the company had been erroneously reported in an SEC filing and corrected the mistake.