

Blessed be thy mine: Pope presented with Buffalo Gold chalice

BY SUSAN KIRWIN

Buffalo Gold's (BUF-V, BYBUF-O) new connection to Pope Benedict XVI could benefit the company's future development plans on the Italian island of Sardinia.

Two Buffalo mine staff presented a chalice made entirely of gold produced at the company's Furtei mine to the pontiff prior to an open-air mass on Sept. 7 in Sardinia's capital, Cagliari. Furtei is the only operating gold mine in Italy.

The miners were dressed in their work clothes, including hard hats, at the request of Pope Benedict.

"Everybody came from all over the island to see the Pope and our little part of it was very small but important," says Furtei mine manager Monty Reed. "The chalice

represents Sardinia and Sardinian people."

The chalice weighs about 1.5 kg — that's 52 oz. — and includes 40 precious and semi-precious stones mined on the island, such as quartz, garnet, galena and obsidian, a naturally occurring glass formed as an extrusive igneous rock.

"Obsidian has been mined on Sardinia since prehistoric times," Reed says.

The chalice itself is quite impressive, he says. "It's brilliant gold and intricately finished."

The idea to make the chalice came from the mayor of Furtei and the archbishop of the area. They toured the mine earlier this year.

The gold was sent to Florence, where Tuscan goldsmiths created the Carolinian-style cup.

Sardinia, which Reed describes as a wild and beautiful place, is less developed than much of Europe but has a long history of mining.

"But there's also a history of mining the wrong way and there's a legacy there and we are trying to change that," Reed says. "We are upholding the best standards that we would anywhere else in the world."

Buffalo has two other gold projects in Sardinia and Brian McEwen, the company's president and CEO, says the local government will be more apt to let the company move forward with those projects once Furtei gets off the ground.

He says the presentation of the
See **CHALICE**, Page 18



BUFFALO GOLD

This 1.5-kg chalice, presented to the Pope before a recent open-air mass, was made entirely with gold from Buffalo Gold's Furtei mine, on the island of Sardinia.

Chalice

CHALICE, From Page 13
chalice has given the company a boost with the locals.

"Maybe this will help make our life easier on the island," McEwen says. "It's great exposure for us. Nobody's paying attention to our press releases and all of a sudden we made the chalice and gave it to the archdiocese and the Pope's going to drink from it — everybody's interested and wants to know more."

Buffalo plans to complete a feasibility study focusing on underground mining at Furtei later this year. The company is currently producing at a rate of 1,000 tonnes per day from an open pit.

Buffalo recently announced a resource estimate for Furtei. Measured and indicated resources from the sulphide ore total 5.7 million tonnes grading 2.31 grams gold per tonne for 425,800 oz. gold. Inferred resources stand at 350,700 tonnes grading 2.03 grams gold for 22,900 oz. gold.

The resource is based on 1,568 drill holes and 1,034 trench samples completed between 1990 and 2004 on 11 deposits at the property. Most of the resource comes from

the gold-copper and gold-pyrite sulphide mineralization.

Buffalo acquired Furtei in October of last year through a friendly merger with Sargold Resources. Since then, the company has produced more than 1,000 oz. gold from the Sa Perrima open pit at its carbon-in-leach facility. Buffalo also produces a gold-copper-pyrite concentrate at a flotation plant processing sulphide ore from the Sa Perrima and Su Masoni open pits.

Buffalo has an offtake agreement with Zug, Switzerland-based MRI Trading AG for gold and copper concentrate produced at Furtei during 2008 for up to 5,000 tonnes. The length of the agreement can be extended.

The company expects to begin underground production in early 2009.

Buffalo is more than two-thirds of the way through a 3,250-metre exploration drill program, with more than 1,600 metres of diamond drilling and 650 metres of reverse-circulation drilling completed so far. The first set of assay results is expected in the next month.