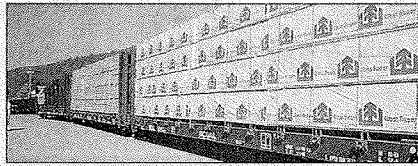


MONEY



Shock stocks?

Are forestry stocks really dead money? A group of savvy players has been quietly loading up amid talk of a 2009 revival
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B.C. glitter at papal mass

MINING: Not the Holy Grail, but gilded chalice casts a sheen on Vancouver miner

BY PAUL LUKE
BUSINESS REPORTER

An open-air mass held today by the pope on the Italian island of Sardinia is tied to B.C. by a golden thread.

A glittering chalice to be used by Pope Benedict XVI during the mass in the Sardinian capital of Cagliari is forged from gold from a Vancouver company's nearby mine.

Buffalo Gold Ltd., a Vancouver-based junior, produced the 1.5 kilograms of gold used in the chalice from its small open-pit mine near the Sardinian village of Furtei.

The church commissioned the chalice to symbolize Sardinia's mineral wealth and honour the working people who produce it, says Monty Reed, Buffalo Gold's Furtei mine operations manager.

"It was designed as something uniquely Sardinian," Reed says. "Italy is one of the leading producers of gold jewelry in the world but we have the only active gold mine in the country."

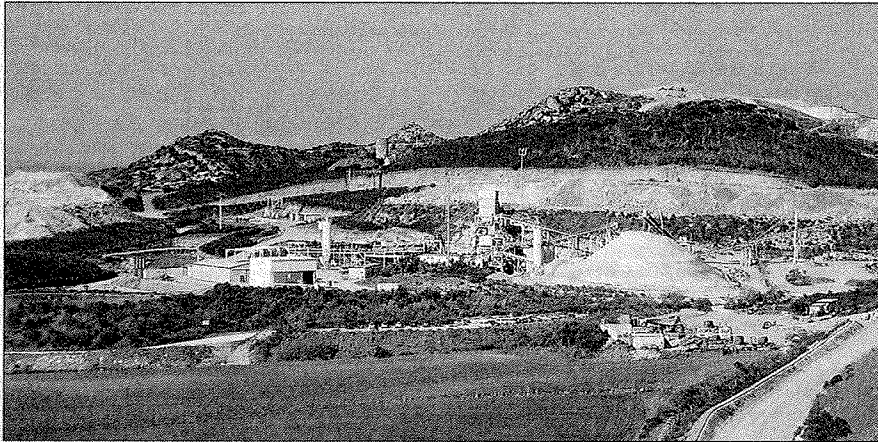
The company sold the gold to the church at a special rate, Reed says.

Two miners from the Furtei operation will present the chalice to the pope just before the mass, which the visiting pontiff is to celebrate outside the Basilica of Bonaria in Cagliari. "It has been requested that they be dressed in mining gear," Reed said in an interview from Italy. "They will be wearing uniforms and hard hats."

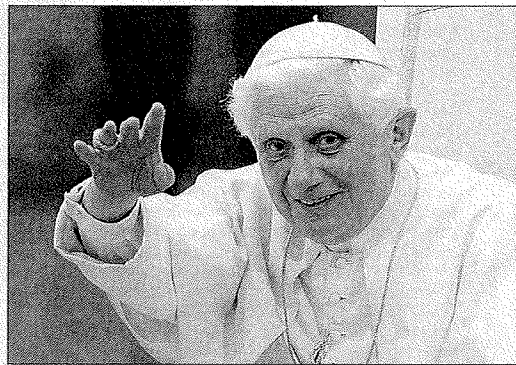
The vessel they present the pontiff is somewhat more elegant than those uniforms. The chalice and its accompanying plate are encrusted with 40 precious and semi-precious stones, all from Sardinia, donated by Furtei employees and a local geological society.

Among these stones are garnet, galena, obsidian, amethyst and quartz crystals, Reed says.

The church commissioned jewellers in the Tuscan capital of Florence to create the chalice and an



Vancouver-based Buffalo Gold has provided gold from its open pit Furtei-mine (above) — the only gold mine in Italy — to craft a 1.5-kilogram golden chalice (below left) that will be used by Pope Benedict XVI (below right) at an open-air mass in Sardinia today.



accompanying plate. The Tuscan jewellers crafted a piece of art in a Carolinian style dating back to the eighth and ninth centuries.

With its plate, the vessel stands about a foot high, Reed says. "It's striking. The finished work is intricate and impressive."

Reed was unable to estimate the value of the chalice, which has been

placed in a church museum in Cagliari.

Furtei, located in dry foothills 45 kilometres north of Cagliari, employs about 70 people. An Australian company started the mine in the 1990s.

The operation closed in 2002, a victim of low gold prices. It underwent ownership changes before

reopening in February, 2007, Reed says.

Buffalo Gold acquired the mine last October in a merger with Vancouver-based Sargold Resource Corp. It's expected to produce about 8,000 ounces of gold this year — a small amount by global standards.

The company hopes to start an underground operation at Furtei

next year and is in the midst of a feasibility study to determine if this course of action makes economic sense.

"We have European Union standards to uphold," Reed says. "We have to try to operate clean and green."

Buffalo Gold president-CEO Brian McEwen welcomes the publicity flowing to the company from the chalice. McEwen, a veteran of other mining companies, is too hard-headed to believe the gilded goblet will turn into a Holy Grail yielding miracles for shareholders.

Buffalo Gold trades on the TSX Venture Exchange.

But the chalice may deliver some secular benefits by winning positive attention for the mine from skeptical Italian governments, he says from the company's offices in Vancouver. Buffalo Gold has two other exploration projects in Sardinia — and an involvement with another in Tuscany — that it hopes to move forward.

"Furtei represents the stepping stone for us to go from exploration to a true miner," McEwen says. "When we've talked to local governments in Italy they say, 'Show us that you can make Furtei run and be profitable and operate to proper standards and then we'll let you look at these other projects.'"

Sardinia has a rich mining legacy. Mining is believed to have started with obsidian diggings several thousand years before the Birth of Christ.

The Romans later mined gold, silver and lead on Sardinia. Zinc and coal are also part of the island's mineral horde.

Reed sees the Furtei mine giving new life to the island's ancient mining tradition — and the chalice as something that will outlast the resurrected mine itself.

"To know that the chalice is an artifact that's probably going to be here in Sardinia in another 500 years kind of stirs you."

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