



Andover Ventures

26 October 2010

Andover Ventures announces extensive work program for its Big Hill copper/gold/molybdenum porphyry target

Good news from Andover Ventures continues to flow thick and fast. In the two and a half months since the last Proactive Investors article on the company the share price has risen 79% and Andover's news has included:

The completion of a JV agreement with Kennecott Exploration, a subsidiary of Rio Tinto, on Andover's Big Hill copper/gold/molybdenum project in Utah, USA whereby Kennecott may earn a 51% interest by completing a pre-feasibility study or spending \$20M and a further 4% by funding all costs to the delivery of a feasibility study accepted by Rio Tinto for making an investment decision.

The purchase of an additional 14M shares in Chief Consolidated for \$3.6M which takes Andover's holding to 78.9%. Chief is an historic company with 65 square kilometres of prolific ground in the East Tintic Mining District of Utah which includes 23 past-producing historical mineral deposits, 2 former mines, plenty of infrastructure and potential revenue streams from water and geothermal energy.

A private placement of 4.2M shares which was over-subscribed and yielded gross proceeds of \$1.3M which will be used in part to fund a payment of \$700,000 due on 31st October for the original purchase of Chief's shares. (The last payment of \$2M is due in September 2011 by which time the company is likely to be generating cash flow from Trixie Mine).

The latest announcement, published today, contains details of Kennecott's extensive initial work program at Big Hill following the signing of the JV agreement in August.

Background to the Big Hill Project

Big Hill is a copper/gold/molybdenum target in the prolific East Tintic Mining district of Utah, USA. It is 100% owned by Chief Consolidated (subject to an earning agreement with Kennecott Copper, Utah) and located 5 km from the town of Eureka. Geologically it exhibits the characteristics of a porphyry; the target is known to be a stockwork (branching network) of quartz veinlets surmounted by a lithocap which is visible at surface as a little hill. It is surrounded, as is typical, by a halo of lead/silver/zinc deposits.

The project lies 43 miles south of Kennecott's Bingham Canyon mine on the same geological trend. Bingham Canyon has operated continuously as an open pit mine since 1906, and on current estimates has an expected mine life to 2034. To date it has produced 18.7M tonnes of copper (which as a matter of arithmetic would be worth \$157B at today's prices), is the world's largest man-made excavation, and annually produces 25% of the United States copper production, 23% of its molybdenum, 10% of silver and 7% of gold.

Andover has been excited about the potential of the Big Hill for some time. Its hope is that the project will prove to be at the centre of a classic porphyry system and have the potential to rival some of the world's largest copper deposits.

Price: C\$0.42

Market Cap: C\$30.4m

1 Year Share Price Graph



Share Information

Code: AOX

Listing: TSX-V

52 week	High	Low
	C\$0.44	C\$0.20

Sector: General Mining

Website: www.andoverventures.com

Company Synopsis:

Andover Ventures is a precious and base metal exploration and development company, headquartered in Vancouver, British Columbia, Canada, with world class properties located in the historic Tintic Mining District, Utah, USA and the Polymetallic rich Ambler Mining District, located in Alaska, USA.

Author:

Jackie Steinitz +44(0)1202 770386

action@proactiveinvestors.com



Indeed a report in 2008 prepared for Chief by independent consultant Dr. Richard Sillitoe, one of the world's leading experts in porphyry deposits, (and described as a "household name in economic geology" in the citation for his medal from the Society of Economic Geologists), noted that the lithocap characteristics of the target compared "very favourably with other undrilled deep porphyry copper prospects elsewhere". He also noted the enhanced chances of high copper grades, "the apparent lack of obvious logistical, community and environmental impediments" and the importance of Big Hill's proximity and geological similarities to the giant Bingham Canyon porphyry copper – gold – molybdenum deposit.

The JV agreement with Kennecott/Rio, and the size and scope of the planned exploration program can be interpreted as further validation of the potential of the project. Rio, one of the world's top five mining companies, has a strong track record in exploration. It has notched up many world-class discoveries and takes pride in its low cost per discovery. Through Kennecott, which operates Bingham Canyon and formerly operated the Trixie and Burgin mines now owned by Chief and in the same mining district as Big Hill, it has strong local knowledge, which should enhance and accelerate the exploration program.

Rio is optimistic about the outlook for copper. In a recent presentation Matthew Holcz, Manager of Business Development for Rio Copper, anticipated that the future copper market would be tight characterised by high though volatile prices on the back of significant scope for demand growth but ongoing supply constraints.

Big Hill 2010 Exploration Program

Kennecott's exploration program announced today will include airborne and ground geophysical surveys, surface mapping, assaying grab samples, a re-assay of the core previously drilled by Anglo American and a review of old mine data from Chief's property. The aim of the program is to pinpoint drilling targets for the next phase of exploration.

Work has already been underway for two months. The 801 line kilometre airborne magnetic survey has been completed, data for the ground magnetotelluric (MT) survey is being collected from 155 MT stations, and 200 rock samples have been collected and are currently being assayed.

Historic data is being digitized and analyzed, and the entire core previously drilled by Anglo American is being analyzed at Kennecott's assay lab in Salt Lake City. According to Andover's CEO and Chairman Gordon Blankstein, "the extent and scope of Kennecott's initial exploration program is a reflection of the potential of the Big Hill porphyry target".

The first newsflow from the program is likely to be assay results which should be available in two to three months time.

Appointment of Chief Operating Officer

In other news Andover also recently announced the appointment of Larry Segerstrom as Chief Operating Officer. Segerstrom, who has an MSc in geology from the University of Arizona, and an M.B.A. from Thunderbird School of Global Management, has worked for 30 years in the mining industry, including 25 years in exploration (working on greenfield and brownfield sites in diverse geological settings including porphyry projects) and 15 years in management.

He has worked for a number of the majors including Newmont, Noranda, Phelps Dodge and Freeport-McMoRan, where he managed all onsite geologic activities at Grasberg, Indonesia, which is one of the largest gold mines and the third largest copper mine in the world.

Most recently Mr. Segerstrom was the Chief Operating Officer for Paramount Gold & Silver, which is exploring and developing precious metals deposits in Mexico and the US and where, together with the exploration team, he led the discovery and development of new resources of 1M+ ounces of gold and 100M ounces of silver on the San Miguel project, Mexico.

Besides its extensive property portfolio in Utah Andover is also exploring and developing the SUN project in Alaska. Its market capitalisation on 22nd October 2010 was C\$31M.