



RESOURCE CLIPS

essential resource news

OFFICIAL CONTENT PROVIDER TO THE

FINANCIAL POST

Elissa reports drilling commencement at Nevada Rare Earth Project

[Elissa Resources Ltd TSXV:ELI](#) announced that it has begun Phase 1 drilling on the Lopez trend of its Thor heavy and light rare earth element project in southern Nevada. A minimum of 1,500 metres will be drilled, and the company anticipates the program to be completed within 1Q 2012. The project is located approximately 28 kilometres east of [Molycorp Minerals'](#) Mountain Pass REE mine.

President/CEO Paul McKenzie tells ResourceClips.com, "We've had this project for over a year, and we picked it up on nothing more than a theory. It was intriguing to us because of its proximity to Molycorp's flagship Mountain Pass deposit. That it was in the state of Nevada made it all the more intriguing. But when we got on the ground after acquiring it, it very quickly became a compelling property, and with every visit it became more and more so.

"Over this last year we've done a multitude of work programs. We've mapped the entire property and done geophysical surveys—including an airborne magnetic survey and a ground geophysical survey. We've identified 14 of the 17 rare earth elements on surface. The largest structure we've found to date is the Lopez trend. It's 2.6 kilometres in length and it is identically coincident with the airborne geophysical and ground magnetic surveys that we conducted. So there's this subsurface anomaly of the same length, making it a very compelling structure. We have nine discovery locations on surface for rare earths at very solid grades and we have three discovery zones on the project to date.

We have nine discovery locations on surface for rare earths at very solid grades and we have three discovery zones on the project to date

— Paul McKenzie

"This news really represents a lot of hard work and a lot of effort from our geologists who got the project to the drill-ready stage," McKenzie continues. "The drill program is about 1,500 metres. It's Phase-1 drilling, and we're going to target the Lopez trend initially. We've got about 20 drill sites located and permitted along this structure. On each drill site we intend to drill a variety of holes that are available to us. I think we should have some results by the end of 1Q, although you never know for sure with the backlog at the assay labs.

"This program will keep us pretty busy, but we have another rare earth project that we acquired called the Ulysses project that borders Idaho and Montana. There are actually three properties there that we have. We'll do quite a bit of work on those projects, then there are other parts of the Thor project, other than the Lopez trend, that we want to get permitted so we can drill.

“It’s too early to say when we’ll have a resource estimate at this juncture. What I can say is, if this drill program is successful, then our plan would be to significantly beef up drilling on the project. There’s a lot riding on this Phase 1 drilling, although we’ll probably drill other parts of the property regardless of this. We’re very excited about it.”

McKenzie reports that Elissa has sufficient cash for exploration. “We just did a small raise of capital, a significant portion of it was taken by the insiders of the company. Our treasury right now is about \$2.7 million—more than sufficient funding for this drill program and through this year and into next year.”

As to the company’s long-term plans for Thor, “The goal is to keep it moving towards production, to always be advancing the project every step of the way. At some juncture, if people want to sit with us and talk about partnerships or take-outs—and if it’s in the best interests of the shareholders—then obviously we would sit down for those discussions. But our plan is to keep advancing it all the way along.

“Given that we’ve got 14 of the rare earth elements represented on the project and our proximity to Mountain Pass, even a small deposit would be potentially economic. In that regard we’re undervalued. We’re a drill-ready property just at the beginning of a drilling, so the company could be valued very differently with drilling success.

“I’m very pleased with our progress,” McKenzie concludes. “Our guys have done a phenomenal job. Our chief geologist Mel Klohn has put together an incredible team of people. They’ve done a sensational job. We’re very pleased.”

[View Company Profile](#)

[Read more about Elissa Resources](#)

Contact:
Paul McKenzie
President/CEO
604.662.3692

by Ted Niles