



Tim Froude, president and CEO of Sokoman Iron Corp., hopes he's made a major gold discovery at the company's Moosehead property. Photo by Gabby Peyton

A not-so-overnight success story

Will a gold property in central Newfoundland lead to a big score for Tim Froude after 30-plus years in the mining sector?

BY DARREN CAMPBELL

The future was bleak for Tim Froude and Sokoman Iron Corp.

Froude is the president and CEO of the small junior mining company. And in the fall of 2016, like a lot of junior mining companies at that time dealing with a prolonged industry downturn, he had a problem. The company was almost broke. In fact, he says Sokoman had roughly \$8,000 in its bank account. His company could not afford to pay anyone. Froude had

even been forced to go on Employment Insurance two times between 2014 and 2016 to bring in income.

But fortune was about to smile on Sokoman. Altius Minerals Corporation had just announced in September of 2016 it had discovered several high-grade gold occurrences in central Newfoundland on its Wildling Lake property. The property is adjacent to Marathon Gold's Valentine Lake property—a

promising discovery that has three million ounces of gold reserves—and Altius's results at Wildling Lake kicked off a staking frenzy that Froude decided to get in on.

"I staked 120 claims and managed to get a piece of ground on the trend," Froude says. "A newsletter writer in the United States happened to pick up on this. I think we were trading at a cent-and-a-half at the time or maybe even one cent. He noticed



we had acquired some ground [near Wilding Lake] and threw us out as a speculative pick. Our stock went to 13 cents based on his recommendation. We did nothing except stake the ground. We had \$200 left in our account, and then we were able to get \$300,000 in financing in the fall of 2016. Without that little nudge and raising the money because of that nudge, I'd be working for another company now or I'd be a farmer."

Froude isn't farming or working for another company. He also doesn't have to collect EI. He is earning a salary again at Sokoman, a company that has gold assets in Newfoundland and Labrador and one iron ore asset in the Labrador Trough. What's more, the company became a darling among investors in the summer of 2018 after it announced the results of a 2,000 metre, 15-hole drilling program on its Moosehead gold project in central Newfoundland and Labrador, 20 kilometres east of the town of Grand Falls-Windsor. The program had

produced a jaw-dropping result. One hole (18-01) had turned up a grade of 44.96 grams of gold per tonne in a mineralized zone.

The 18-01 hole, and some other promising showings from the same drilling program, made Froude and Sokoman popular. Its share price shot up from about four cents to as high as 58 cents after the results were published. Canadian billionaire Eric Sprott, who made his fortune investing in gold and junior mining companies, thought enough of the results to invest \$2 million of his own money in Froude's company. His associates chipped in another \$1 million. With other investors cashing in on warrants on their shares to the tune of another \$800,000, Sokoman now had a healthy treasury of \$3.8 million.

That cash is helping Froude and the company fund more exploration on Moosehead. That includes a 10,000-metre drilling program that started in October. The exploration work will help Sokoman define what it has at Moosehead, which it acquired from Altius Minerals in March of 2018. If future exploration proves Moosehead contains substantial gold reserves, Froude could become a very rich man some day. It would be a remarkable turnaround for a 57-year-old who was collecting EI cheques a few years ago.

While the buzz surrounding Sokoman was sudden, it's been a long time coming for the company and Froude. Born and raised in Grand Falls-Windsor, Newfoundland and Labrador, he's turned a love for the outdoors and rocks into a long and winding mining career that has spanned over 30 years and has seen him work for Inco—now Vale—in Sudbury, Ontario in the 1980s and early 1990s before returning to his home province to work for a dizzying number of junior mining companies with names like Cornerstone Resources and Crosshair Exploration.

It's often like that in the junior mining sector, with geologists like Froude moving from small company to small company either working as staff or as a consultant. "This business is not for the faint of heart or for those who like security and comfort and a steady stream of income," Froude says. "A lot of times it's cycle driven. A company is looking for copper and the price of copper goes down, and then it's tough to raise money. People

get laid off. Sometimes it's your choice to move and sometimes it isn't. But I've been lucky."

Froude may not have realized it at the time, but his luck began to turn when he joined Golden Dory Resources in 2007. The company was focused on gold. Then the focus, and its name, changed as it landed the Iron Horse iron ore project in the Labrador Trough in 2012. Golden Dory became Sokoman Iron in 2013. Unfortunately, iron ore prices would soon collapse. Money became extremely tight and Sokoman went silent, with Froude doing just enough to keep it from being de-listed from the Toronto Venture Stock Exchange.

Yet Froude stayed optimistic, and opportunistic. His decision in 2016 to spend almost all of Sokoman's remaining \$8,000 to buy those mineral claims in central Newfoundland near Wilding Lake—the East Alder, Crippleback and Princess Lake properties—is one example. That move caught the attention of a U.S. newsletter and resulted in Sokoman raising \$300,000 on the market. The company then bought the Clarks Brook gold property in central Newfoundland in 2017. It followed that up in March 2018 by acquiring the Moosehead property from Altius Minerals in a land-for-shares deal.

It's true that Froude got lucky with the summer of 2018's drilling results at Moosehead. He says he's known about the property for years and previous work had shown some high-grade gold intercepts, but nothing like what was found in Sokoman's 2018 summer drilling campaign. Peter Dimmell, a veteran of the Newfoundland and Labrador junior mining scene who joined Sokoman's board in July of 2018, credits Froude for having the perseverance to keep the company alive during hard times. "It's been tough for Tim the last three years. Bad explorers give up. Tim always kept the company going and he's put together a really good portfolio of exploration projects," Dimmell says.

Dimmell also praises Froude for how he's handled the attention Sokoman has attracted since last summer's impressive drilling results were announced at Moosehead. A hole like 18-01 with a grade of 44.96 grams of gold per tonne in a mineralized zone can put pressure

on small companies to follow that up with more impressive exploration finds. But drilling programs can eat up \$3.8 million very quickly. Dimmell says Froude is being very strategic and careful in building the plan to explore Moosehead. "A lot of times projects aren't developed not because they aren't any good, but because they run out of money. We aren't going to push Moosehead too fast," Dimmell says. "Tim's doing it the right way. He's doing it in consultation with the board and he is using the money wisely."

Perhaps that's because Froude's long mining career has taught him mines aren't made overnight. Take Marathon Lake's Valentine Lake project. Froude is the guy who made the discovery—in 1986. He says Moosehead is Sokoman's best chance right now in its portfolio to hit a home run and get a mine built. But a lot of work still needs to be done there. "This new zone no one had seen it before. The grades are outstanding. In this business grade is king, perhaps more so than other aspects that make a mine," Froude says. "I'd say with another couple of rounds of drilling we can start the process of putting together how significant this deposit is and see what happens."

It's unlikely Sokoman will be the company that builds a mine at Moosehead. It's a junior exploration company. Bigger companies with deeper pockets and experience building mines are the ones that end up buying projects from firms like Sokoman. Froude says if future drilling can find enough resources to make a gold mine a possibility at Moosehead, the site should be very appealing. "The Trans Canada Highway is two kilometres from the property. It's near infrastructure, towns, and ports. Logistically it's got a lot of things going for it," he says.

Froude intends to keep working to make that a reality. He's shown he can be patient and persistent. He's also motivated. Memories of being on EI will do that to a guy. "I don't have enough to retire I'll tell you that. I don't have a union pension. My future is going to be what I earn." |nrm

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