

Mario Ayub, Chair of Pan American Goldfields: Sitting in a Pile of Gold

By Christopher R. Anderson

As a young mining engineer, almost thirty years ago, Mario Ayub never dreamed of the gold resources that would eventually be extracted from the mountains of his native [Chihuahua state](#) in Mexico.

Old-fashioned exploration methods and a perpetual lack of investment meant that only the highest grade ore was mined, and then only if it was easily accessible. No one has been more surprised than Ayub at what Canadian investment and modern technology has enabled.

“The most amazing thing is that I didn’t even imagine that Chihuahua had such a big potential for gold production,” chuckles Ayub, today chair of [Pan American Goldfields](#). “I started back in 1982 and these Canadians started coming to Mexico in the early 90s and they’ve really changed the business opportunities for people in this industry. This has been a very successful association.”

In the last three years alone, six new mines have opened in the [Barranca del Cobre](#) area of Chihuahua, for a combined yearly production of more than one million ounces of gold. Ayub calls it the most significant increase in gold production of any region in North America, and the “hottest” exploration area in Mexico.

And he ought to know. As mining industry fortunes have risen in Mexico, Ayub has been front and centre, bringing seven mines into production in Chihuahua and Sinaloa over the course of his career, among them zinc, lead, silver and gold producers. He has been vice president of the National Association of Mining Engineers, Metallurgical Engineers and Geologists of Mexico ([AIMMGM](#)) and president of the National Association of Miners (Mexico), developing policy, growing markets and nurturing relationships with Canadian juniors.

His latest venture, Pan American Goldfields, recently breathed new life into the shuttered Cieneguita gold and silver mine, bringing production up to 1,000 tonnes of ore per day within three months. A feasibility study for expansion,



as well as exploration for new deposits, is underway. Ayub says Pan American has other important discoveries in the nearby Sahuayacan and Encino Gordo projects.

Other juniors are also investing in Chihuahua and surrounding states. There are currently almost 250 gold exploration companies active in Mexico and Canada is the largest foreign investor in the country’s mining industry.

There are other major and intermediate gold producers taking note of opportunities in Chihuahua. [Goldcorp](#)’s [El Sauzal](#) gold mine is about 20 km from Cieneguita; [Minefinders](#)’ [Dolores Mine](#) and [Agnico-Eagle](#)’s [Pinos Altos mine](#), with reserves of 3.5 million ounces of gold, are through the Sierra Madre mountains to the north.

The mining of gold deposits previously deemed unfeasible is a phenomenon in many regions of the world, thanks largely to the record price of gold, says John Meech, professor of mining at UBC, “although there is no doubt that we have better technology that can recover gold from lower grade deposits,” he adds.

[Heap leaching](#), in which gold is leached out of the ore using an acid, usually cyanide, was a major technological breakthrough in the mid-90s and it made many low-grade deposits feasible, Meech says.

In Mexico, Canada’s contributions have been the identification of drill targets, drilling technologies and also advances in processing exploration data, Ayub says.

“This is the most exciting time we’ve ever had in the gold mining industry in Chihuahua and in North Mexico. We’ve learned a lot from Canadian companies

about how the exploration should be done.”

Pan American Goldfields (until recently “Mexoro Minerals”) currently trades on the [OTC Bulletin Board](#). A move to the [TSX Venture Exchange](#) is in progress. ■

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- [Goldcorp](#)
- [LeachMine: Heap Leaching, Slope Stability and Reclamation](#)
- [Minefinders](#)
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