

Sunny outlook for abandoned mine

By
Mark Fraser

A New South Wales-based junior explorer has targeted what it believes could be a large altered gold bearing mineralised zone surrounding one of Australia's oldest silver mines.

Golden Cross Resources Ltd has completed an initial 12-hole 1,000 metre RC drilling program averaging around 70 metres deep on its wholly-owned Sunny Corner property near the NSW regional city of Lithgow to test for gold and silver occurrences.

Eight of the holes were sunk in the historic Sunny Corner mine, which was Australia's richest silver operation before the discovery of the massive Broken Hill lead-zinc-silver deposit in 1883.

Before Sunny Corner's silver resources were exploited, however, it was a gold mine and GCR is now confident further ore containing both gold and silver — as well as other base metals — is still present in the area.

Part of this confidence is based on the fact recent geochemical soil sampling revealed that widespread anomalous gold and silver mineralisation was present in the surface rocks and soils, and in particularly within breccias and fault



▲ Chris Torrey — believes the gold potential at Sunny Corner is very high.

zones around the old mine. Results included a continuous rock chip sample which returned 4.5 metres at 27.9 g/t gold and 1,270 g/t silver.

In addition, the company is particularly excited about a possible strong gold-silver-lead anomaly which not only encompasses the old mine area, but extends at least 400m to the south of the area and remains open to both the north and south.

On the northern-most soil sampling line a 200m-wide zone containing eight soil samples returned an average of 0.32 g/t gold and 7.3 g/t silver — a highly anomalous response for soils.

The company acquired the property some three years ago after the previous owner, Michelago Ltd, went dot com and spun off its mineral assets. However, field activities were put on hold while GCR consolidated mining title and waited for the drought which has ravaged the state over the past 18 months or so to finish.

GCR's director of exploration Chris Torrey said he expected a further round of drilling would be conducted in the northern area, but not before the company had become comfortable with its geology.

"It's actually outcropping, so we are doing some detailed rock chip and soil sampling throughout that zone and extending some soil lines another kilometre to the north," he explained.

"It will end up being quite a program because that zone is a little less accessible than the mine area.

"We believe the gold potential here is very high — quite apart from all the base metals and silver mined in the past, our interest lies

in treating the whole project as a gold and silver mine rather than a smaller base metals project, and we now think that if we can get onto some kind of oxidised gold-silver zone we could turn it into a cash flow pretty quickly."

In addition to Sunny Corner, GCR is pursuing its gold interests on a number of other fronts, including the revision of its feasibility study for the mooted Adelong operation, located 10 km west of Tumet in lower central NSW.

The company has been looking to get the mine up and running for a few years now, but has come across some problems raising finance for the modest \$2.5 million undertaking.

The new documentation focuses on the gold recovery process, with updated metallurgical testwork indicating gravity and flotation concentration methods had the potential to recover 94% of gold into a 10% yield at a grind size of 106 microns.

Torrey said this change in tack would eliminate some \$500,000 in capital costs as well as reduce operating expenses.

"There have been changes to the way it's going to be mined as well as adjustments to the scheduling features — compared to the last one it has been tweaked," he explained.

"And what we are doing is some detailed structural analysis/geological work to determine the controls on the ore shoots — the gold mineralisation — and the actual vein system with a view to using that information for doing drill expansions of the resource.

"It's a small project and we could do with more resources, so that's why the group has focused on these aspects of the operation as well as looking at the gravity flotation."

In addition, GCR has farmed out three projects to junior mining houses with established operations in NSW.

Firstly there is McPhails, an extension of Alkane Exploration Ltd's Wyoming project, some 12 km north of Alkane's soon-to-be-put-on care and maintenance Peak Hill operation in the central part of the State.

Then there is the Yellow Mountain target north of Condobolin, which has seen operator Triako Resources Ltd reveal the possibility that either an epithermal system or a porphyry could be present in the area.

Finally, at Canbelego in a JV with Polymetals Mining Services Pty Ltd, encouraging results could turn into near-term cash flow for GCR.

"Alkane, Triako and Polymetals have good track records as miners, so we are happy to feed them projects which have the potential to create a cash stream for us," Torrey added.

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