

Junior likes thinking big

The hyper-active Sydney-based gold and base metals explorer Golden Cross Resources Ltd boasts the largest areas of tenements under active exploration in New South Wales.

Golden Cross (GCR) is searching for large deposits in highly prospective mineral belts within the mineral-rich Lachlan Fold Belt of central-south east NSW as well as in the Curnamona Province of western NSW, which hosts the world-class Broken Hill ore body. The tenements form almost a diagonal line across the state and include some of the most historic mines in NSW's history.

GCR's exploration philosophy has been to acquire "big target" projects in prospective geological settings, add value through high quality geological, geophysical and geochemical surveys, and then develop exploration models that attract larger companies as investors

Of the \$2.8 million spent on GCR properties during 2004, \$1.5 million was spent by GCR and the rest by its partners. In addition, about \$1 million was spent on properties over which GCR held royalties.

Jewels

The jewels in the junior's crown include the tenements at Hardwicks (close to the historic Mount Boppy gold mine near Cobar in far western NSW), which produced 425,000 ounces and was the state's main gold producer for 20 years from 1902.

At Hardwicks the gold is nuggetty, as is the record of Mt Boppy, which resulted recently in an initial assay of a drill core returning 52 grams/tonne (but averaging down to 23.6 g/t when further assaying was taken at one metre intervals rather than two metre).

Another jewel is the Adelong mine—a major gold producer from 1852-1941, which yielded one million ounces. More gold remains to be extracted and scoping studies have been completed for production based on open cut mining and improved gravity heap leaching methodology. More precise studies are under way, but the company is hopeful that after several years of research production will begin later this year.

An additional advanced project is the Kempfield silver-zinc-barite play south west of Bathurst, which is even more exciting given the strong silver and improving zinc prices.

Exploration is under way to determine further the resource base, including that which GCR considers a world-class barite resource. That resource stands at 3.72 million tonnes at 95 g/t silver and 9.36 Mt grading 26.4% barite, 0.89% zinc, 0.6 g/t gold and 0.5% lead.

A scoping study for Kempfield visualises a 400,000t per annum milling operation to produce 40,000t of barite concentrate annually (to increase to 80,000t per annum in the fifth year).

Another historic mine site over which GCR holds an interest is Copper Hill near Orange in central west NSW, the site of the state's first copper mine. This recently returned 100m at 0.8% copper and 0.29 g/t gold at a depth of 72m. Assaying of cores produced gold as high as 0.91 g/t. It is significant that the mineralisation is in chalcocite, which gives easier leachable metallurgical characteristics.

Resource

The holes were drilled south of an established resource at Copper Hill and more holes are planned in the southern zone to prove up more resources and determine the depth of the chalcocite mineralisation.

GCR holds hopes that the prospect can be upgraded to a massive bulk tonnage operation similar to Newcrest Mining Ltd's Cadia Hill some 40 km away which, with its nearby Ridgeway underground mine, is now the dominant NSW gold operation.

In addition to these activities, GCR is also undertaking drilling programs at other prospective sites:

- South of Mt Boppy at the Burra prospect (where drilling has recovered copper at up to 5.4% in a deposit that has similarities to the

CSA mine at Cobar) and Canbelego, where drilling under the old Mt Boppy tailings site has returned two metres of gold at 0.19 g/t, 0.43% copper, 1.29% lead and 2.50% zinc along with 36 g/t silver from 231 metres).

- Wagga Tank near Cobar, where GCR has identified a gold anomaly at the BMW prospect which is the target of an aircore drilling program (it is only 500m from historic holes which returned up to 84m at 0.56% zinc and 0.26% lead);
- Trewilga — between Forbes and Peak Hill — where drilling has returned 38m of core at 0.44 g/t gold and further exploration is to be centred on the Great Britain mine prospect which has a similar geological setting to Alkane Resources Ltd's Wyoming deposit, 25 km north (these are now under assessment), and;
- Sunny Corner, near Lithgow where the Bob's Creek porphyry hosts a number of gold workings and soil chemistry indicates a gold anomaly over 400m long and 50-100m wide (preliminary scout drilling has produced a broad intersection of low-grade mineralisation and site preparations are under way for four deep holes).

Prospective areas in which GCR holds interest are at Yellow Mountain, north of Condobolin, where GCR (49%) and Triako Resources Ltd (51%) are exploring beneath previous gold bearing intersections.

A platinum future for Broken Hill

Broken Hill faces a new lease of life as a platinum and palladium producing area under the exploration plans of Golden Cross Resources Ltd.

Golden Cross managing director David Timms said the Broken Hill region had excellent discovery potential for platinum as new technologies unearth more mineral secrets despite over 120 years of exploration in the region.

He said the search would focus primarily on the platinum group of metals — platinum, palladium, rhodium, osmium, iridium and ruthenium, but also on gold-copper rich ironstones of the type found at the famous Ernest Henry mine in Queensland. All these metals are known to exist in the area.

Timms said Golden Cross would also be searching for the metals traditionally associated with Broken Hill — silver, lead and zinc—in a three pronged exploration plan.

He said Federal and State Governments had spent over \$20 million in survey work over the past 10 years in the Broken Hill region to encourage mining

companies to seek more high-grade deposits to ensure the future of Broken Hill and its infrastructure.

"In addition, over \$1.5 million had been spent on the joint venture tenements by former exploration affiliates Sipa Resources and Gravity Capital Limited (GCap), which completed a number of detailed geophysical surveys and significant drilling programs," Timms said.

"This means we have a uniquely exciting situation of having a large land holding in the close vicinity of the world's largest ore body of its kind and in one of Australia's most mineralised areas, coupled with possibly the most detailed data base in Australia provided by these Governments.

He said Golden Cross will focus its search on three types of mineralisation — Broken Hill-style deposits in the south of the Golden Cross ground, at the Three Gums prospect; high grade nickel-copper-platinum-palladium mineralisation associated with ultramafic intrusions has been found over a distance of 25 km within Golden Cross ground; and shear-hosted copper-gold mineralisation.

Endeavor Mine, Cobar

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