

Golden Cross is 'going places'

An Australian explorer in a hurry to make new discoveries has located drill-ready projects for gold in Panama and uranium in Canada to complement its Australian properties. By **Ron Berryman**



Golden Cross managing director Kim Stanton-Cook.

Busy New South Wales-based gold, uranium and base metals explorer Golden Cross Resources is engaged in key projects in NSW, Queensland and Western Australia as well as in exciting new projects in Canada and Panama.

The geographically diverse portfolio leaves managing director Kim Stanton-Cook in no doubt that the company is literally "going places".

"We are currently fine tuning the drilling targets in the Los Hatillos epithermal quartz-bearing gold areas in Central Panama with an IP survey which is due to start this month," Stanton-Cook told *RESOURCESTOCKS*.

"We have two project areas at Veta

Blanca and Boca de Higui, which were drilled in the 1930s but have had no effective modern exploration."

Golden Cross Resources can earn 70% in the Panamanian joint venture project with Bellhaven Copper & Gold Inc by spending \$US3,500,000 within five years.

Historic sampling of underground workings in the joint venture area at Veta Blanca returned a 41m strike length of vein material averaging 27.2g grams of gold per tonne, 0.25% copper, 4.8% lead and 5.0% zinc over an average width of about 1.2m while trenching by Bellhaven has returned 14m at 10.3 grams of gold per tonne and limited sampling of dump material by Golden Cross has assayed up to 19.1gpt.

In August Golden Cross Resources entered into a joint venture agreement with Canadian-based Altius Resources Inc in which it could earn a 50% interest in two unexplored uranium properties in eastern Labrador, Canada.

The Notakwanon property, located 65km south of the Voisey Bay nickel-copper-cobalt mine, required the issue of 25 million Golden Cross shares and expenditure of \$C3.5 million on exploration over five years, while the Nuiklavik property required the issue of 15 million Golden Cross shares and expenditure of \$C2 million over five years.

"This may well be our most exciting project as these peralkaline volcanics provide extremely prospective areas for uranium," Stanton-Cook said.

"Canadian Government geologists conducting regional mapping on the region during the 1980s came up with samples assaying 1.8 percent uranium in a Notakwanon outcrop.

"We've just completed a 5000-kilometre airborne survey and the preliminary results have yielded multiple anomalies from the

total count channel within each property, although we're still awaiting results for the uranium and thorium channels as well as assays for the follow-up groundwork.

"The weather interrupted the completion of the survey leaving only a small portion of the Notakwanon block to do.

"We won't be doing any more flying this year, but we can still get people on the ground for rock chipping and looking for structures with another month or two of fieldwork before freeze-up."

While many new explorers find it difficult to find good quality projects, Golden Cross Resources has acquired several highly prospective, well-mineralised Australian targets in its diverse portfolio.

"The most advanced is the Copper Hill porphyry copper-gold project near Molong in New South Wales," Stanton-Cook said.

"We have established a resource estimate of 133 million tonnes at 0.32 percent copper and 0.28 grams of gold to the tonne containing 420,000 tonnes of contained copper at 0.2 percent cut-off for copper and 1.2 million ounces of gold."

Stanton-Cook believes the mine could produce 8 million tonnes a year yielding about 240t of copper and 400-500,000oz of recovered gold over 10-12 years.

"We're looking at 85 to 90 percent copper recovery and 50 to 55 percent for gold, but with a small carbon in leach (CIL) circuit added on we think we can get 85 percent gold recovery," he said.

"And the project has really good infrastructure with a railway line running right to the base of the hill, a 132-kilovolt power sub-station with excess capacity just 4.5 kilometres away and the Mitchell Highway running right past our door.

"We've also received a lot of support from the local Molong community and the State Government."



Golden Cross exploration manager Rob Harley on fieldwork in Panama



The Boca de Higuí gold vein prospect in Panama.

He said the company was looking for a joint venturer which wanted 20-30,000t of high quality copper-in-concentrate and 40,000oz of gold a year to help Golden Cross raise the \$333 million estimated capital expenditure.

"We see it as a tidy open pit operation with a very small footprint and short haul distances," he said.

"The mill and plant can be tucked down out of sight to the east behind Copper Hill beside a small watershed so run-off can be minimised. As well, good sites exist to the north for waste dumps and tailings dams.

"But we'll have very little waste rock with a strip ratio of 0.6:1 and a lot of what will be left over will be used for earthworks, building dam walls and so forth."

Copper Hill is one of Australia's early minesites where minimal mining was carried out before the miners were lured elsewhere by the promise of a major strike.

"There's an old mine there, but it's very small," Stanton-Cook said.

"It's basically a greenfields site as there was only some minor digging in the 1840s before the discovery of gold at Ophir when everyone packed up and rushed there.

"They say they might have got about 16 ounces from Copper Hill as the old-timers found some little high-grade zones tucked away in there."

The company has completed pit optimisation studies on the latest resource estimates to establish several positive operating net present values (ONPV) exclusive of capital cost estimates for plant and infrastructure.

Solid global commodity prices, established infrastructure and the positive modelling of an 8 million tonne per annum operation helped make the project potentially viable.

Golden Cross has other highly prospective areas in NSW and, with the focus on Copper Hill, has farmed these out to companies such as CVRD Inco, Zinifex, Cybele Resources and Tri Origin.

A new Perth-based company, Kempfield Silver, has farmed into the well-mineralised Kempfield and Sunny Corner VMS-related projects and the gold-bearing West Wyalong project south of Cowal.

Golden Cross has increased activity on its other 100%-owned areas near Copper Hill, at Canbelego, and in its new

greenfields Rast project in the south of the Cobar Basin.

"We have almost completed a major induced polarisation program at Canbelego, one of our most prospective gold properties," Stanton-Cook said. "The program includes gradient and pole-dipole arrays and has already delivered drill targets.

"At Rast we've identified some 20 airborne magnetic anomalies and we expect to be drilling before the end of the year looking for Cobar-style copper-gold deposits or Hera-style polymetallic mineralisation. There has been minimal exploration in this area of shallow cover in the past."

The company has had a busy year with the purchase of King Eagle Resources, which delivered some more prospective ground in Queensland and Western Australia.

The purchase comprised \$300,000 cash and \$3 million worth of new Golden Cross Resources shares at a minimum issue price of 5c a share.

"The acquisition of King Eagle Resources gave us a number of uranium prospective tenements in the Mt Isa region, which we will be working on to the end of the year, and three tenements at Bowen," Stanton-Cook said.

"The Mt Isa tenements cover potentially uranium-bearing Cambrian phosphatic units within the Georgina Basin while the Bowen tenements have targets with the potential for Carlton Hill-style high-grade gold-silver-copper discoveries in stratabound replacement, epithermal and porphyry settings."

Another interesting acquisition from the King Eagle purchase is at Mulga Tank, about 250km northeast of Kalgoorlie in Western Australia.

"This property is most prospective for nickel with a very large dunite (peridotite) body which is prospective for Mt Keith-style mineralisation and possibly Kambalda-style.

"While we still have a fair bit to do there; some interesting nickel results have been returned from two 200-metre core holes and there is a chance of uranium mineralisation in a setting similar to the palaeo channel-hosted Mulga Rock deposit 45 kilometres to the east. And of course

shear zone-related gold targets should always be anticipated in any Yilgarn greenstone."

Golden Cross Resources has inherited a joint venture with Canadian explorer Newport Exploration, which can earn 80% interest over the next two years.

Stanton-Cook said Golden Cross held the right to purchase, at any time, the other 20% interest, free carried to decision to mine, held by a prospecting syndicate in the Mulga Tank tenement.

With a host of high quality projects like Copper Hill, Canbelego, Panama and Canada moving ahead incorporating a balance of copper, gold and uranium, Golden Cross Resources is looking to move from explorer to discoverer in the near future. **RS**

golden cross resources at a glance



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Market Capitalisation

\$21.08 million (at press time)

Major Shareholders

David Timms 6%
Phoenix Gold Fund 5.6%
Dr Leon Eugene Pretorius 4.2%
HSBC Custody Nominees (Aus) Ltd 4%