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INFORMATION RELEASE

ANOMALOUS GOLD AND BASE METAL MINERALISATION IN REGIONAL PRE-COMPETITIVE DRILLING AS PART OF THE GEOLOGICAL SURVEY OF VICTORIA-GEOSCIENCE AUSTRALIA STAVELY PROJECT

31 July 2015 - The Geological Survey of Victoria and Geoscience Australia are undertaking a collaborative project in the Stavely region of western Victoria. The project seeks to address the challenges of 'greenfield' under cover exploration in Australia through the provision of pre-competitive fundamental geoscience data and the testing of evolving geological concepts.

To assess the mineral systems potential of the Stavely region, 14 fully-cored stratigraphic drill holes were completed between April and September 2014. The stratigraphic drill holes were designed to validate regional geological interpretations and to recover material for subsequent detailed geological, geophysical, and geochemical analyses.

One of the drill holes, STAVELY17 (collared at UTM 644671mE, 5828093mN (GDA 1994 MGA Zone 54) and drilled at an inclination of -50° towards 070°), is located approximately 10 km southeast of Glenthompson and was drilled to a total depth of 156 m (Figure 1). STAVELY17 was designed to intersect the geological contact between the Mount Stavely Volcanic Complex and the Glenthompson Sandstone to determine the nature of the contact and its stratigraphic facing direction. It should be noted that STAVELY17 was collared approximately 5 km south and 3 km west of the Fairview gold prospect and Wickcliffe base metal prospect respectively, both of which are contained within an existing exploration licence (EL4556).

STAVELY17 intersected pervasive fine- to very fine-grained disseminated and quartz vein-hosted base metal sulphide mineralisation (galena, sphalerite and chalcopyrite). The most continuous zone of sulphide mineralisation extends from 45 to 62 metres downhole and is spatially coincident with a quartz-sericite-pyrite hydrothermal alteration assemblage within the Glenthompson Sandstone, which extends from the top of the drill hole to 80 metres downhole. Two intervals of strongly kaolinite-pyrite altered porphyry, which have intruded into the Glenthompson Sandstone, also contain base metal sulphide mineralisation.

Whole rock geochemical analysis results for diamond drill core recovered from STAVELY17 indicate that there are four narrow 1 to 7 metre wide zones of anomalous Au within the Glenthompson Sandstone which also correspond with elevated Ag (0.5-1ppm). The length-weighted significant intersections are listed in Table 1 and the individual values comprising the intersection provided in Table 2.

The uppermost mineralised interval broadly corresponds with anomalous Zn with three approximately one-metre-long intercepts greater than 1,000 ppm within the Glenthompson Sandstone, and one intercept with 2,840 ppm Zn. No Cu concentrations greater than 179 ppm were observed. The highest Zn, Pb and Cu values correspond with the narrow intervals of porphyry with Au mineralisation appearing to be peripheral to these.

The orientation and true thickness of the gold mineralisation intersected is currently unconstrained. Further work is planned to understand the geological context of these results and their significance for mineral exploration under cover in the Stavely region.

Figure 1. Location of drill hole STAVELY17, located approximately 10 km southeast of Glenthompson in the Stavely region of western Victoria. Also shown are existing exploration licences in the region.

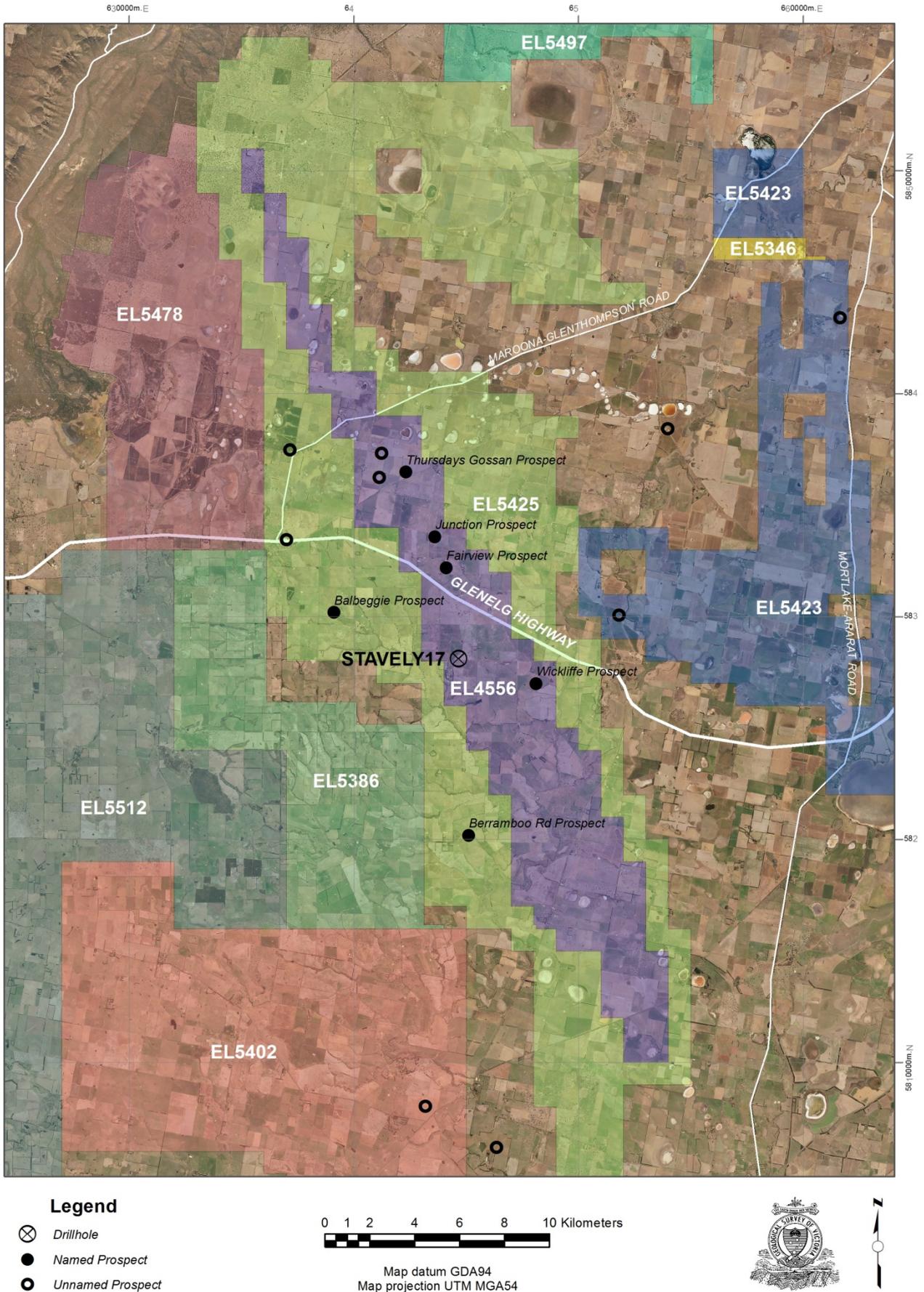


Table 1. Selected assay values for STAVELY17. The intersections listed are interval weighted with a cut-off value of 0.2 ppm Au and may carry up to 2 m of <0.2 ppm. With the exception of Au, which was reported to 3 decimal places all other elements have been rounded to two decimal places for consistency with laboratory reporting.

From (m)	To (m)	Length (m)	Au (ppm)	Ag (ppm)
46	47	1	1.030	1.11
51	58	7	0.597	0.81
72	74	2	0.728	0.48
78	80	2	0.925	0.79

Background on sampling and analysis

Drill hole STAVELY17 was sampled at the Geological Survey of Victoria Core Library in Werribee, Victoria, as nominal one metre sample intervals between 25 and 85 m depth, unless they were extended or shortened to honour lithological boundaries. All samples were collected as half core except for field duplicates which were quarter core to ensure half core was retained for reference. Samples were transported to ALS Global (Perth) where they were prepared and analysed for all elements except gold using inductively coupled plasma-atomic emission spectroscopy (method ME-MS61) following a four acid digestion. Gold was analysed by fire assay fusion using atomic absorption spectroscopy (method Au-AA23). QA/QC measures (commercial reference standards, blanks and field duplicates) comprised 16% of the samples analysed. The zone of visible base metal sulphide mineralisation and more intense hydrothermal alteration within STAVELY17 was prioritised for analysis. Analytical precision using repeat analyses of certified reference materials, submitted for analysis in the same batch, is given as percent relative standard deviation and is 0.54 % for Au and 6.06 % Ag (OREAS502b) and 0.93 % for Au and 1.23 % Au (OREAS621).

Table 2. Individual Au and Ag values from the interval weighted significant intersections reported in Table 1 as part of this release.

Sample No	Core Size	From (m)	To (m)	Interval (m)	Au (ppm)	Ag (ppm)
20151941170	HQ3	46.0	47.0	1.0	1.03	1.11
20151941175	HQ3	51.0	52.2	1.2	0.686	1.35
20151941176	HQ3	52.2	53.0	0.8	0.073	0.20
20151941177	HQ3	53.0	54.0	1.0	0.288	0.74
20151941178	HQ3	54.0	55.0	1.0	1.015	0.66
20151941179	HQ3	55.0	56.0	1.0	0.695	0.91
20151941180	HQ3	56.0	57.0	1.0	0.088	0.57
20151941181	HQ3	57.0	58.0	1.0	1.21	0.98
20151941200	HQ3	72.0	73.0	1.0	1.055	0.54
20151941201	HQ3	73.0	74.0	1.0	0.400	0.42
20151941206	HQ3	78.0	79.0	1.0	1.065	0.55
20151941207	HQ3	79.0	80.0	1.0	0.785	1.02