



MEDIA CLIPPING

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Page: 1

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Green light for new Super Pit

Big gold project

By Ron Berryman

ONE of the most significant mining projects ever proposed in the Eastern Goldfields – the Golden Mile South Project – has been given the green light.

Junior explorer Mawson West has coordinated the package over a number of years, bringing together 62 separate tenements into one major block of more than 112sq km, just 4km along strike south-east of the Super Pit.

Mawson West managing director David Frances told the *Kalgoorlie Miner* yesterday that very little exploration had occurred in the area because it was under transported cover.

"We have come to an agreement with St Barbara Limited for a joint venture and plans are to start drilling straight away," he said.

"It will take just one successful drill hole and there'll be a bidding war.

"Very little has been done in the area but we've found there's background gold."

Mr Frances said the project area was surrounded by mines that had produced more than 100 million ounces of gold and more than 4.5 million tonnes of nickel.

"This is one of the premier addresses in the world for mineral endowment," he said.

"It has taken a considerable amount of time to put together but we have been in discussions with St Barbara for some time and chose them as partners because of their excellent record at drilling under cover and finding blind ore bodies."

St Barbara has had success in the Bronzewing and Jundee areas where basement rocks were obscured by transported cover.

Mr Frances said Newmont had provided the 11-tenement Lakewood package at the north-eastern corner of the project and was entitled to a royalty and had the right to buy a 40 per cent interest in the joint venture for that specific area.

Newmont would provide technical data it has on the Lakewood area and attend technical meetings to provide assistance to the joint venture partners.

The joint venture enabled St Barbara to earn a 70 per cent interest in the project after a total expenditure of \$5 million over five years.

Mr Frances said this was a staged earn with the first step involving expenditure of \$3 million over three years for a 51 per cent shareholding.

After three years St Barbara could elect to contribute and retain its remaining equity or spend another \$2 million over two years to take its share in the joint venture to 70 per cent.

St Barbara must spend \$500,000 within six months before withdrawing from the agreement.

Mr Frances said the region was under-explored due to the previously fragmented tenement holding.

Also transported cover and deep weathering obscured potential deposits from historical prospecting and exploration.

The package comprises the Lakewood, Hannans East, South Lakewood, Kenty, GMS Central and Feysville tenements.

It also includes Cazalay Resources tenements upon Mawson West completing a farm-in to acquire up to a 75 per cent interest.

