

Mawson gets Golden Mile South partners

Rebecca Lawson
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MAWSON West will partner up with gold miners St Barbara and Newmont Mining over its Golden Mile South project, which lies 4km along strike from Kalgoorlie's Super Pit.

Under the joint venture agreement, St Barbara will farm-in to the 112 square kilometre project in a staged earning process, where it can earn up to 70% interest by spending \$5 million over five years. The company must spend a minimum of \$500,000 within six months.

Speaking to *MiningNews.net*, Mawson managing director David Frances said he was "absolutely" happy with the result and St Barbara was always a standout choice for the project.

"We had quite a lot of interested parties for the ground [but] St Barbara were our first choice because they have a good track record of finding things undercover," Frances said.

"What [the JV] does is it gets a very serious explorer with a good track record of exploring undercover, that's the key thing."

Frances added that the project has long been viewed as difficult to explore due to extensive soil, cover and deep weathering, and had long been held by various prospectors and small syndicates.

"It's the first time it's been held as one package. It's the first time it will be systematically explored by someone properly," he said.

"When you look at the area, it's surrounded by world-class deposits and the reason it hasn't been explored is because there's 10-20m of cover over the whole area, transported cover.

"Most people stayed away from this area because you cannot use surface techniques to find anything, they will all be blind ore deposits."

The company started acquiring ground for the Golden Mile South project since 2004.

Meanwhile, Newmont can buy up to 40% interest in the Lakewood tenement within Golden Mile South by spending twice the exploration expenditure of St Barbara in that area, and is entitled to a net smelter royalty.

The gold miner will bring technical data it has on Lakewood and attend technical meetings each year.

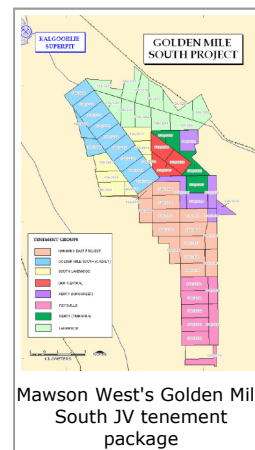
"The buyback agreement and royalty clause was in there when they inherited Battle Mountain. It's a very old agreement that was done previous to us and has been carried over," Frances said.

The consolidation and finding of JV partners for Golden Mile South now frees Mawson to concentrate on its exploration efforts on the Kapulo copper JV with Anvil Mining in the Democratic Republic of Congo.

"The half million dollars a year roughly [spent] to keep those [Golden Mile South] tenements in good standing we can now spend in Africa," Frances added.

Mawson can earn up to 65% interest in Kapulo by spending \$US4 million over four years.

Shares in Mawson closed up A1.5c to 25c yesterday on the back of the news and were steady in trading this morning.



Mawson West's Golden Mile South JV tenement package

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