

Gympie Gold's exploration program

NEW DISCOVERIES, GOLDFIELD EXTENSIONS

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This article is based on material supplied to Brian Carloss, QGMJ editor, by Harry Adams, Gympie Gold Limited.

The recently launched Gympie Goldfield Exploration Program has demonstrated a major extension to the previous gold-bearing structures that have yielded more than two million ounces historically.

Gympie Gold Limited believes there is potential to ultimately discover more than 6 million ounces of gold from the Gympie Goldfield. The company has earmarked around \$7 million to exploration expenditure in 2002–03, making it one of the largest in Queensland.

Gympie Gold Limited's underground gold mining operation showed a record production for 2001–02 of 61 215 ounces of gold, compared with around 44 458 ounces of gold for 2000–01 (see pages 14–19). The company operates its gold mine as the Gympie Eldorado Gold project and its coal mine as the Southland Coal project.

The Gympie Goldfield, discovered in 1867 and worked continuously until 1927, is historically the sixth largest hard rock goldfield in Australia. About 230 mines existed in the past with hard rock production contributing nearly 4 million ounces of gold from the field at an average recovered grade of 20.1 grams per tonne.

With the development of the new Lewis Decline, production of ore has been mainly from the Inglewood Lode Block N3. Mine activities during the year were focused on access, development and commencement of production of ore from Stockwork Block 6A by bulk mining methods. The Lewis Decline was connected to the deeper workings of the Monkland Mine in December 2002.

This development will ensure greater operational improvements and further reduce production costs. To cope with the recent increases in production, the

mill's capacity has been expanded with modifications to the grinding, gravity circuit and leach circuits. A 50 per cent expansion in mill capacity has allowed it to treat about 300 000 tonnes per annum.

Gympie Gold regards its ongoing small mining operations as a generator of cash flow and knowledge, the prime purpose of which is to support exploration at Gympie.

Mr Harry Adams, Managing Director of Gympie Gold, said: 'In production we focus on cash generation and not on the number of ounces we produce.'

Gold exploration

Gympie Gold considers that discovery is its prime focus, and that all its activities at Gympie are intended to strike the right balance between risk and return in pursuing a major discovery in what was once one of the nation's top six gold districts.

The Gympie Goldfield Exploration Program, launched in July 2002, has shown encouraging results particularly with the extension (north and south) of the known strike length of the Inglewood Structure—the major gold feeder system for the Gympie Goldfield.

Several promising prospects are within 1 km of the current mining operations and the aim is to delineate resources that can be accessed from existing infrastructure.

Among these discoveries is shallow mineralisation that recent drilling has intercepted beyond the bounds of the previously recognised goldfield at the South Inglewood prospect.

The prolific Inglewood Structure has been intersected close to the surface and this prospect is currently considered to hold the greatest potential for a large discovery in the short term.

Gold-in-Quartz gemstone

The Gold-in-Quartz gemstone is mined at the company's wholly-owned subsidiary Gympie Eldorado Gold Mines in the company's Gympie Goldfield.

In the late 19th century the Gympie Goldfield was famous for its so called 'jeweller's shops'—nine zones where gold reefs intersect black slate rock known as 'productive beds' forming seams of native gold up to 10 cm thick in white quartz reefs up to 2 m wide. Such jeweller's shops were rediscovered three years ago, and subsequently Gympie Gold has been marketing selected ore specimens to North American jewellery manufactures to develop a wide range of product lines.

The jewellery, featuring Gympie Gold gemstone and fabricated from Gympie Gold's gold and silver, is manufactured in the United States by north American-based joint venture partner Kabana Inc.

Mr Adams said: 'Gympie Gold gemstone has been very successful in market penetration but discovery of gemstone material has lagged customer demand. In response we have increased the selling price of the product and launched a line of Gympie Gold jewellery made entirely from the gold, silver and gemstone of the Gympie Goldfield.'

Conclusion

At Gympie Eldorado Gold Mines, the main focus of exploration now enters a particularly interesting chapter focusing on major goldfield extensions accessible from existing infrastructure.

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LONG SECTION OF THE INGLEWOOD STRUCTURE

