

Victorian gold: can we feel a pulse?

The state government is not giving up on a gold revival. ***The Outcrop*** by Robin Bromby.

MiningNews.Net | 01 Jun 2017 | 9:15 | Opinion



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Victoria to "target a gold rush to create jobs" was the headline on a recent media release from Wade Noonan, Victoria's Minister for Resources.

It is part of the Labor state government's TARGET program under which A\$15 million is being spent to finance base metals and gold exploration.

The grants cover up to half the cost of exploration programs, including geophysical surveys, drilling and assaying.

The end game is to get mining revved up as a means of creating jobs and economic growth in Victoria's regions.

This latest round of grants is focused on the northern part of the Bendigo geological province, an area of 14,000 sq.km, stretching from Bendigo to Echuca and Swan Hill on the border with NSW.

Canada's Kirkland Lake Gold is getting \$139,000 for exploration north of its existing Fosterville gold mine (Victoria's largest gold mine with production for 2017 forecast at 200,000-225,000 ounces; the mine has so far produced more than 1Moz).

A couple of private companies, Kite Gold and Providence Gold and Minerals share most of the balance of the \$1.2m allocation: they jointly have a project north of Bendigo, and Kite has two recipient projects in the same area (one a venture in partnership with listed Navarre Minerals).

Incidentally, Navarre has a track record here. It received money under the first stage of TARGET to pay for diamond drilling at its Irvine gold project, 15km from Stawell mine. In April it announced intercepts of 2.9m at 12.9 grams per tonne gold and 4m at 9.8gpt gold.

As the company pointed out at the time, those intercepts were comparable to gold mines from Stawell's Magdala deposit which produced 4m ounces of the yellow one over its life. (Navarre's shares this morning were at 3c.)

Apparently the Geological Survey of Victoria believes there could still be 1500t of gold (about 48.2Moz) of undiscovered gold beneath Victoria's soil. (They've been studying and mapping the state's geology for 160 years, so they presumably have as good an idea as anyone).

And there is no question that Victoria has had some spectacular mines. The Long Tunnel mine at Walhalla produced 32.2t of gold, the Morning Star Mine at Woods Point produced 19.6t, and 16t was extracted by the Port Phillip Co at Clunes. That's just from quartz mines (of which 163 individual operations each produced more than 1t of gold); turn to deep leads and you get 16.3t out of the Band of Hope at Ballarat and the Madam Berry mine at Creswick produced more than 12t from a lease just 500m long.

Outcrop would be among those delighted to see Victoria's gold industry put some runs on the board, having in 2011 expressed in two successive weekly outbursts some considerable frustration with Victoria's several failures in that area over recent decades.

In fact, it is about 12 years since I began a newspaper report with the words "Victoria will soon be back in the gold business – big time". That, as I noted, was based on an ABARE report forecasting a imminent rise in the state's gold output. It seemed a reasonable assumption with various companies about to get into production (including Perseverance which at the time was getting into production at Fosterville and Leviathan Resources, then expanding Stawell).

Bendigo Mines and Ballarat Goldfields were two other emerging stars, neither still with us in those forms.

As *Outcrop* noted in 2011, the various disappointments (and here we must remember Morning Star Gold, at which a second revival is under way under the control of Mantle Mining) with Victorian gold dreams must have given investors pause before they swallowed another story from that state about the glittering potential.

Between 1999 and 2008 Victorian mines produced, on average, under 150,000oz a year between them

But, as the government mineral website has argued, the WA goldfields have been the subject of six development phases since the 1890s but “Victoria has had only one since 1850, with the second now underway”. Well, we are still waiting for it to properly get “underway”.

Fingers crossed for it happening this time.