

Wedgetail gets talons into more gold

Thursday, 14 December 2006
Luke Forrestal

WEDGETAIL Mining believes recent drilling at its flagship Nullagine gold project in Western Australia has underlined the potential to build on its existing resource inventory as the company moves towards first production late next year.

In an announcement yesterday, Wedgetail said drilling at four prospects – Falcon, Condor, Buzzard and Angela, all of which are near the planned pits at Nullagine – has identified near-surface, high-grade gold mineralisation.

The company said shallow RC drilling in the main Golden Gate area had continued to delineate extensions to the high-grade mineralisation at the Falcon and Condor prospects, with a particularly impressive intercept from Condor of 16 metres grading 3.72 grams per tonne gold from 47m.

The mineralisation at both Falcon and Condor remains open along strike and below a depth of 50m, and Wedgetail said there was considerable scope to delineate further extensions.

In a first-pass test, the company said RC drilling had also confirmed the presence of high-grade mineralisation at Buzzard, with intercepts returned including 3m at 7.46gpt gold from 2m and 2m at 8.91gpt gold from 42m.

While exploration of the prospect was at an early stage, the results showed it had the potential to develop into another important resource within the Golden Gate corridor, the company said.

On the scout drilling front, an infill RAB program had confirmed the presence of two broad, sub-parallel zones of mineralisation over a strike length nearing 400m at the recently discovered Angela prospect.

Based on the strength of the intercepts returned and the prospect's proximity to the proposed Golden Eagle processing plant, Wedgetail expects further drilling of Angela to form an important part of its 2007 exploration campaign.

The Nullagine project is expected to cost in the order of \$A43 million to bring online and is pegged to produce about 70,000 ounces per annum over an initial five-year period. Cash costs are estimated at \$539 an ounce.

Shares in Wedgetail were down 0.5c (1.85%) to 26.5c in midday trading.



Wedgetail Exploration's Golden Eagle deposit