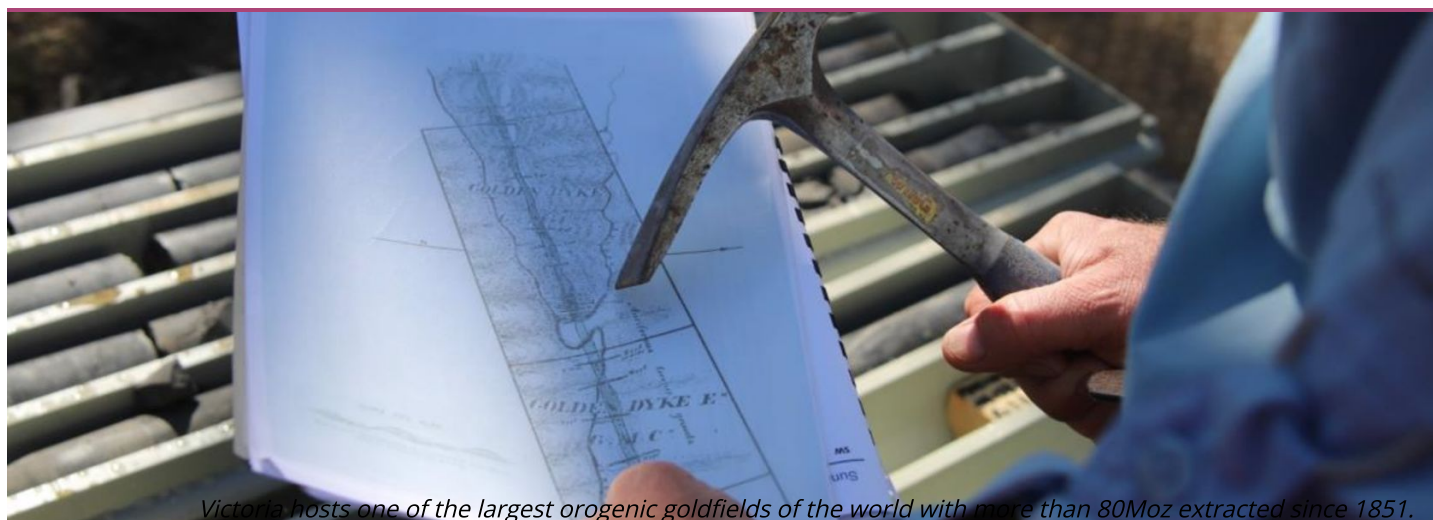


Mawson seeks funding for Aussie spin-out

TSX-listed Mawson Gold has followed through on its plans to spin-out its Australian assets onto the Australian Securities Exchange in order to focus on its Scandinavian interests, including its flagship Rajapalot gold-cobalt project in Finland.



Victoria hosts one of the largest orogenic goldfields of the world with more than 80Moz extracted since 1851.

Finance > Capital-markets

The Vancouver-based Mawson is looking to raise A\$8-10 million at 20c to set Southern Cross Gold free, topping up a starting \$2.2 million cash position.

Comments

The company isn't looking towards the Southern Cross goldfields in the west, but to the east, where its primary focus is on its 100%-owned Sunday Creek tenements in Victoria.

Share

Haydn Black

Reporter

It also has the Redcastle and Whroo joint ventures where it is earning 70% from Nagambie Resources, in which it owns 10%, a first right of refusal over 3300sq.km tenement package held by Nagambie, all in Victoria, and tenure in Queensland's polymetallic Mt Isa region.

The company has spent around \$6 million to date, but with its gaze increasingly focused on the Northern Lights of the Arctic circle, it has decided its tenure under the Southern Cross needs a dedicated focus.

The explorer has drilled two dozen holes at Sunday Creek in central Victoria, and says the results, including eight holes reporting 100 gram per tonne gold equivalent per metre, including 21.7m at 4.7gpt and 1% antimony from 275m, with 0.4m at 145.5gpt, makes it "potentially one of the best new exploration discoveries to come out of Victoria in recent times".

The project, just 60km outside Melbourne, is prospective for Fosterville-style orogenic gold, and contains historical workings along an 11km trend from which 41,000 ounces grading an average 33gpt, but up to 700gpt, was reportedly recovered prior to 1920, but where subsequent exploration has been limited to less than 1km of strike, to just 80m sub-surface.

While Mawson has punched just two holes into Whroo, the results from below the historical Balaclava pit delivered 0.6m at 49.6gpt gold and 0.2m at 16.5% antimony within a 200m thick mineralised zone, suggesting the potential for gold and antimony below the area's best producer was a promising start that proves the deeper potential.

With a 14km-long strike, Whroo is one of the largest historical orogenic goldfields in Victoria, with 13 named reefs within the Balaclava Hill pit area alone.

Exploration is at an earlier stage at Redcastle, but the area is along strike from the prolific Costerfield mine, and could host an analogue to Fosterville or Costerfield at depth, below historical mines.

The company describes Redcastle as "a uniquely Victorian opportunity where significant historically mined epizonal gold systems remain poorly explored to depth", with little work below 40m, and no focus below the historical workings from which 35,000oz at 33gpt was recovered.

Costerfield is just 2km away, along strike on a parallel north-south structure, while Fosterville is 24km to the east.

Mawson has completed 16 holes at an average depth of 174m that delivered thin to moderate grades and widths of gold in all holes, with many locations requiring follow-up work.

The discovery of the Swan Zone at Fosterville, which proved high-grade gold can exist at depth, has reinvigorated Victorian exploration in recent years, and Southern Cross wants to ride that wave of interest.

In the Sunshine State, it has some 861sq.km covering some 60sq.km of prospective strike in the south-western Mt Isa block, near Cloncurry, a position that is surrounded by South32 and Sandfire Resources.

The targets there are large iron-oxide copper gold and Broken Hill-type or Cannington-style lead-zinc silver deposits below cover.

Mawson completed a single deep hole to 850m testing the F11 gravity/magnetic target, encountering basement rocks at 318m, and pyrrhotite-rich sulphides below 750m, but the source of the magnetic response remains unexplained.

There are seven more priority coincident gravity and magnetic targets to assess.

Mawson has tapped veteran Australian explorationist Tom Eadie for the Southern Cross non-executive chair position, while Mawson co-founder and executive chair Michael Hudson will slot in as managing director.

Non-executive directors are economist and Mawson advisor Georgina Carnegie, and geologist David Henstridge.

Southern Cross hopes to commence trading in May.



Aspermont
Information for Industry

Copyright © 2000-2022 Aspermont Ltd. All rights reserved. Aspermont Limited (ABN 66 000 375 048), PO Box 78, Leederville, Western Australia 6902