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Castlemaine goldfields see new exploration by mining company Kalamazoo Resources

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Kalamazoo Resources hopes Wattle Gully South will yield gold. Picture: file

MINING company Kalamazoo Resources will begin to search for gold in a new section of land to the south east of Castlemaine.

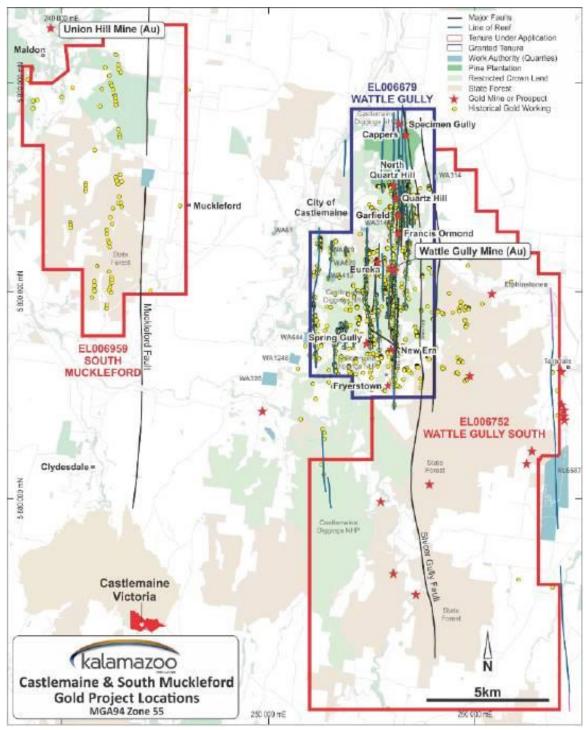
The state's mining regulator granted the Perth-based company a licence to explore 218 square kilometres at Wattle Gully South on Thursday.

The company has been exploring Wattle Gully - to the east of Castlemaine - since June 2018.

Kalamazoo Resources will conduct "high tech" geophysical surveys to find gold bearing reefs underground.

The company's exploration manager Luke Mortimer said there was a lot of gold still underground around Castlemaine, buried deeper than early miners had been able to explore.

Mr Mortimer said miners pulled up about five million ounces of gold during the gold rush, while hard-rock mining had yielded another 600,000.



Wattle Gully South sits to the south east of Castlemaine. Map: Kalamazoo Resources

"We know gold exists in the area. There's been a lot of historical production of the area. A lot of these old reefs were not tested to great depths," Mr Mortimer said.

[&]quot;In historical times those guys mined only really high grade very rich near surface deposits.

"The fact that five million ounces had eroded into the alluvial system, into the creeks and stuff as well, proves that there is gold in this area."

Mr Mortimer said he company was in the early stages of exploration at Wattle Gully, and would be conducting the same process in the new licence area.

The 218 kilometres square area of Wattle Gully South is immediately below Wattle Gully. Kalamazoo Resources was been granted an exploration licence of 70 square kilometres for this region in June 2018.

Mr Mortimer said Wattle Gully South "highly prospective for gold", as an extension of the same geology as Wattle Gully.

He said opening small footprint mine, deeper underground, was the company's goal, rather than an open cut mine.

The initial exploration works were an "environmentally friendly" way to explore the area, which did not require Kalamazoo to clear any vegetation, he said.

Mr Mortimer said Kalamazoo planned to concentrate its resources on public land in the exploration area, which does cover parts of the Castlemaine Diggings National Heritage Park.

Mr Mortimer pointed to the success of the Fosterville mine, a small but very high grade gold mine, as an example of what Kalamazoo would like to achieve.

"Ultimately we'd like to emulate that success and find a similar very rich gold body in the Castlemaine area," he said.