

Kalamazoo Resources adds new exploration licence to South Muckleford gold project

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Kalamazoo will use similar exploration techniques at South Muckleford to those Kirkland Lake used to discover Fosterville.

Explorer [Kalamazoo Resources \(ASX: KZR\)](#) has lodged an application to increase its tenure at the South Muckleford gold project in Victoria to approximately 152 square kilometres along the highly-prospective Muckleford Fault.

The new exploration licence – known as West Muckleford – covers 68sq km and adds to the original licence granted in July over approximately 84sq km of Crown land, the majority of which is situated away from populated areas.

West Muckleford is believed to contain numerous historical gold workings with linear trends indicative of lode and reef lines similar to those found at Kalamazoo's nearby Castlemaine gold project.

During the last quarter, the company identified a large number of high-priority exploration prospects at Castlemaine for follow-up, defined from a combination of features such as the presence of prospective fault and fold structures; gold mineralised reefs; historical workings; low exploration maturity; and historical drill hole intersections.

Underexplored areas

The South Muckleford and West Muckleford areas, which form the South Muckleford project, are considered to be underexplored with limited broadly-spaced, shallow drilling completed over the last decade.

Newly-appointed Kalamazoo chairman Luke Reinehr said the company will kick start a program of systematic modern exploration techniques over the new licence.

“We have high hopes for South Muckleford, particularly as there is no younger sedimentary cover, enabling us easier, cheaper and quicker exploration,” he said.

“To date, the area has received only limited, shallow drilling and we will [add to that with] low-impact ground geophysical surveys which will assist in identifying and mapping potential gold mineralised structures for follow-up drilling.”

Early-stage test

The application of modern techniques to high-ranking prospects follows Kalamazoo’s strategy of conducting “smarter”, low impact, reconnaissance-style exploration which minimises disturbance to the environment and the local community.

The company’s ground geophysical surveys act as an early-stage test or “screen” of project areas for potential economic gold mineralisation and reduce the amount of ground disturbance and drilling required to effectively explore a prospective area.

“We believe in minimising or mitigating any impact that [our] activities may have on the environment,” Mr Reinehr said.

“[We achieve this] through industry best practice together with responsible planning and management of company activities and as a minimum standard, working within the Victorian Code of Practice for Mineral Exploration.”

Largest goldfield

South Muckleford is located in Victoria’s Maldon goldfield and comprises historical workings to the west and southern strike extent of the Union Hill gold mine, owned by [Centennial Mining \(ASX: CTL\)](#).

Maldon is the state’s seventh largest goldfield, having historically produced more than 1.9 million ounces (56 tonnes) of primary gold and 317,000oz (9t) of alluvial gold.

It is believed to be of a similar setting and age as other deposits in the Bendigo Zone in central Victoria, and contains similar Ordovician host rocks and structurally-controlled mineralisation styles.

The Muckleford Fault is presently witnessing an increase in gold exploration activity with dominant player [Chalice Gold Mines \(ASX: CHN\)](#) conducting a major drilling program at the

Pyramid Hill project to the north of Kalamazoo's activities and focused on identifying high-priority target areas under cover.

Pyramid Hill covers 1300sq km and was leveraged by the Victorian Government's Gold Uncover initiative which estimated a possible 32Moz of undiscovered gold in new zones north of Bendigo.

Fosterville success

The success of Kirkland Lake Gold (ASX: KLA) at the historic Fosterville mine, 20km northeast of Bendigo, has also reportedly driven "very strong interest" in the region.

Kirkland hit paydirt at depth with the discovery of a high-grade quartz orebody deep underground, now classed as one of the world's most profitable gold mines with production of approximately 1.8Moz to-date.

In early 2018, Kirkland believed it was sitting on 1.7Moz of gold at Fosterville, worth around \$2.85 billion.

By December, that figure had been revised to reserves of 2.7Moz at an average grade of 31 grams per tonne.

Quarterly results posted last month by Kirkland showed the mine was on track to achieving a revised full-year 2019 production guidance of between 570,000-610,000oz gold.

Kalamazoo has previously said there exists "significant potential" to apply the same modern techniques at the South Muckleford and Castlemaine projects as Kirkland has successfully applied at Fosterville.