



Piece of WA marks fortune change

The fortunes of a West Australian company are looking up, thanks to the acquisition of a gold project earlier this year, reports **Hayley Gavan**

AT A GLANCE

- ◆ **Company:** Kalgoorlie-Boulder Resources
- ◆ **At the helm:** Michael Atkins, chairman
- ◆ **Key project:** Norseman
- ◆ **Location:** Western Australia

Christmas came early for stakeholders in Kalgoorlie-Boulder Resources with early results pointing towards a productive future.

A significant increase in gold resources at the company's wholly owned Norseman project has put a smile on faces and bolstered confidence.

The purchase of the Norseman project near Kalgoorlie in Western Australia marked a turning point for the company which had suffered a fall in share price leading up to the acquisition.

Kalgoorlie-Boulder Resources chairman Michael Atkins sums up the progress achieved since Norseman was acquired in March.

"We've been able to resurrect the company, start the exploration program under our own steam, upgrade the resources, and we're ready to start moving to scoping studies and feasibility studies next year," he says.

"The Norseman acquisition has given us a very large land holding in one of the most productive gold regions in WA."

Mt Henry and Selene are the highly prospective resources showing the most promise.

In November there was a 20 per cent increase in the total inferred resource estimate at Norseman to just over 1.2 million ounces of gold.



Geologist Richard Bayley looks into an exploration adit.

The result was achieved despite raising the average cut-off grade from the 0.7 grams per tonne used previously to 1gpt, thereby significantly improving the robustness of the company's resources calculation.

The increase resulted from a 36 per cent lift in the main Mt Henry resource to 630,000oz, and included, for the first time, an indicated resource of about 310,000oz.

The resource upgrade has seen the company's share prices soar.

Further drilling results were expected last month.

Funding for further exploration has been actively sought.

Kalgoorlie-Boulder raised \$2.5m via a placement issue to clients of Perth-based stockbroking firm Patersons Securities.

The placement introduced a number of new investors to the company.

Mr Atkins says the company is entering into what he believes is an unprecedented period of growth.

Kalgoorlie-Boulder has all the ingredients of a successful company, he says.

"Most of our discussions

around the March-June period revolved around survival – most of our discussions now are where are we going."

Mr Atkins joined the company in March when the acquisition of the Norseman project was completed.

"We've basically spent the first six months of our corporate life trying to sort out some of the issues there."

Hurdles along the way have made the recent successes even sweeter.

Before the appointment of the new board, Kalgoorlie-Boulder had already entered into an agreement to dispose of its uranium assets to Burey Gold.

By renegotiating the agreement the new board was able to obtain \$1.75m in cash and \$2m in shares in Burey Gold.

Kalgoorlie Resources is also looking to recoup \$3m it paid last year for its oil and gas assets in the US.

The company has started legal proceedings against the vendor, Metro Energy, for giving misleading and false representations and breaching contract.

Pursuing the money is a matter of principle for American-based Kalgoorlie Resources director Stanley Lewis.

"It's an unwillingness to let go of things that are

rightfully ours," says Mr Lewis.

The acquisition of Norseman brought with it the support of Mr Lewis and Richard Alter, the principals of Kalgoorlie Resources' leading shareholder, US-based investment group RASL Au.

Mr Lewis is firm in his conviction that RASL Au are in it for the long haul. "Becoming an executive director means that I will be spending at least four hours every single day to make the success of KAL a major priority in our lives."

"We are not stock market investors, and in fact this is the only stock we own. We are real estate professionals, and we make our living by developing land and building houses, office complexes, shopping centres and the like," says Mr Lewis. "We are accustomed to working hard and doing our best to produce concrete results."

Production is still a long way off but that is no concern. In fact, the forthcoming business plan centers on developing and intensifying the resource base and building a reserve.

"Because we believe the price of gold is going up we're not in a hurry to dig. Patience is a virtue. Good things come to those who wait," says Mr Lewis. ■

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Mining Industry kept on the move

Thrifty Car Rental in Western Australia is a diverse company which provides top-quality vehicles to customers at affordable prices.

Its extensive range of cars, trucks, vans, utes, 4WDs and buses are well-suited to the ever-expanding needs of the mining industry.

About 70 per cent of the fleet is commercial vehicles, many of which are tailored to meet a variety of needs.

Mine-compliant vehicles are fitted with significant extras to ensure safety and conformance to mining standards.

Added features include rollover protection, air bags, roobars, cargo

barriers, safety triangles, first-aid kits and fire extinguishers.

Thrifty has contractual arrangements with major customers in the mining and construction industries.

Thrifty's Kalgoorlie branch is involved in a nearby mining operation, supplying the project with almost 30 specialised 4WD vehicles.

Likewise, Thrifty has made its services available to Kalgoorlie-Boulder Resources.

It has have provided KBRL with a mine-specified 4WD dual-cab vehicle since the beginning of last year, offering hands-on support when needed, as well as providing

an established workshop with tyre repair facilities at 528 Hannan Street.

Thrifty in Kalgoorlie has grown significantly over the past year.

WA sales manager Anton de St Pern predicts growth will continue.

"We will continue to inject capital and human resources to meet the growth and demands of our valued customers," Mr de St Pern says.

"To this end, we will continue to partner and support our customers for mutual benefit."

Contact: Kalgoorlie branch manager Lewy Free, (08) 9021 4722, or resources sales manager Craig Dommissie, (08) 9464 8810.

Getting the most out of project's potential

Global technology and overseas experts will help Kalgoorlie-Boulder Resources get the most out of its Norseman Gold Project.

According to Kalgoorlie-Boulder Resources chairman Michael Atkins, there is considerable potential in the Norseman project.

"Some of that potential comes from using new techniques which the previous explorers haven't had available to them," says Mr Atkins.

Regional exploration will be accelerated using the V-TEM geophysical technique which is highly suited to finding gold in the banded iron formations.

The VTEM helicopter time-domain EM prospecting system was introduced into commercial service in late 2002.

Since then, the system has performed surveys for a wide variety of deposit styles around the world.

A highly sought-after team from Canada will carry out the operation.

Kalgoorlie-Boulder hopes to finalise scoping studies into possible development scenarios early this year as a prelude to formal feasibility studies.

Various development options can then be considered including, sale, joint venture, toll treatment or even stand-alone mining.

Kalgoorlie-Boulder already had a head start when it bought the project.

The Norsemen project came

with a confirmed JORC-compliant inferred gold resource of more than one million ounces at the Mt Henry, Selene, North Scotia and Abbotshall prospects.

"That is incredibly important in that it instantly elevates the company above most other gold explorers by delivering a platform from which Kalgoorlie-Boulder can readily build and realistically achieve its ambition of developing the Norseman Gold Project to be a significant gold producer in its own right," says Mr Atkins.

The project also came with a comprehensive data base largely prepared by previous owner Kinross Gold, which spent more than \$9m on the area.

"That's why we have we have gone to reasonably instant success [on Norseman]," says Mr Atkins.

Kalgoorlie-Boulder non-executive director Stanley Lewis says: "We didn't buy a block of land, we bought \$9m worth of research."

The Norseman project covers 124sq km of the prolific South Yilgarn Greenstone belt of the Eastern Goldfields in Western Australia.

Norseman is the southernmost gold mining centre of the Norseman-Wiluna gold belt which hosts an endowment of over 270 million ounces of gold.

The Norseman region has been a major gold producer with production in excess of 5,500,000 ounces of gold since 1935. ■

Clinker Hill shows promise too

Clinker Hill, a nickel exploration project north-east of Kambalda, is another project showing promise for Kalgoorlie-Boulder Resources.

Kambalda is 130km north of Norseman and 55km south of Kalgoorlie.

Clinker Hill consists of 19 prospecting licences covering 2,700ha between the trans-Australia railway line in the south and the historic gold mining centre of Bulong in the north.

The project is in a favourable geological

setting on the western margin of the Bulong ultramafic complex.

The Blair nickel mine is 10km to the west and the Carnilya Hill nickel mine 20km to the south.

Initial geochemistry has identified a number of promising anomalies which Kalgoorlie-Boulder intends to follow up and build upon.

The exploration company wants to do the early-stage reconnaissance work itself before considering a joint venture. ■



The Mt Henry open-cut mine is part of the Norseman project in Western Australia.



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