

# History on Katanning's side

by Michael Washbourne

**M**atthew Greentree's previous association with the Katanning gold project could be a boon for Ausgold Ltd.

Greentree, who joined the company as chief executive in April, worked on the project during his time with SRK Consulting, making him a standout candidate for the top job at the junior gold explorer.

"I always felt the project had a lot of merit, I see a lot of opportunities which haven't been realised," Greentree told **GMJ**

"I looked at the Katanning project back in 2013 and I'd kept in touch with [executive director] Denis Rakich since then, so when he started dropping hints about needing to appoint a CEO with an exploration bent, we got talking more.

"So here I am, it's been a busy start and the work I'm doing now – and will be doing over the next year or so – will be to try and develop the project as far as we can push it."

Greentree has spent his first three months in the hot seat overseeing a review of the assets in Ausgold's portfolio, with an impending resource update for Katanning to be the project's first major milestone under his reign.

The new estimate will incorporate the undefined Frasers deposit and a portion of the main Jinkas lode into the 16.4mt @ 1.21 g/t gold for 637,000oz resource previously announced in October 2015.

"I want to understand what we've actually got and what we've got to do next in terms of resource definition," Greentree said.

"Building on from that, there will be a programme to extend the resource. We've also got three other moderately advanced exploration targets we will be drilling as well as some infill drilling and resource extension work.

"It's what you call your low-hanging fruit, easy stuff we can deliver ounces on."

Greentree is also keen to follow up on some encouraging recent drilling results from Datatine, one of the high priority targets he put forward in his 2013 technical review of the project.

Some of the better intercepts recorded at Datatine from a RC programme completed earlier this year were 12m @ 2.01 g/t from 73m (including 3m @ 4.3 g/t from 80m), 4m @

1.56 g/t from 92m and 4m @ 3.47 g/t from 102m (including 1m @ 11.05 g/t from 105m).

Gold mineralisation was identified over a strike length of at least 600m and remains open along strike and down-dip.

"Datatine is a bit different to the other prospects in terms of orientation," Greentree said.

"One of the [historical] drill holes intercepted economic grades...but we could never explain it. New geophysics showed the drill lines were pointing in the wrong direction so we turned [the drill rigs] 90 degrees and you can see

from the results we have extensive, reasonably high grade mineralisation."

As part of the company's review of Katanning, Ausgold made the decision to acquire the nearby Dumbleyung project from Chalice Gold Mines Ltd for 15 million ordinary fully paid shares, plus 10 million options exercisable at 3.5c/share, expiring after two years.

Chalice is also subscribing to a placement of \$1 million (40 million shares in Ausgold at 2.5c/share) as part of the transaction for Dumbleyung, which is comprised of four tenements totalling 461sq km.

Ausgold now holds more than 4,000sq km of prospective tenure around

Katanning, which Greentree believes is the ideal platform for his company to launch its revised strategy.

"I think we're sitting in a nice space because we're an explorer, but we're also sitting on 637,000oz so people are already looking at us in terms of becoming a developer," he said.

"Being an explorer is great, it gives you lots of flexibility, but having a big resource base is what people look for in terms of value. There's a lot of growth potential in this larger ground holding we've now got hold of."

While most of the attention will be on Katanning, Greentree is also excited about the other projects – Yamarna (nickel-copper) and Doolgunna (copper-gold) in Western Australia and Cracow (copper-gold) in Queensland – in the company's exploration portfolio.

Ausgold has applied for a co-funded drilling campaign at Doolgunna, adjacent to the DeGrussa copper mine and within 20km of the Plutonic gold mine, to test a series of near-mine targets later this year.



Matthew Greentree