

# New dawn for historic gold mine

Article from: Herald Sun

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December 01, 2006 12:00am



**Beneath the surface: Morning Star chief geologist Peter Jackson takes a sample. Picture: Bill McAuley**

WHEN Western Mining Corp walked away from one of Australia's richest gold precincts to chase the fleeting Poseidon nickel boom, it also left behind a treasure trove of documents.

"The records we found are in some ways worth more than the (Morning Star) mine -- without them we would have had to spend hundreds of thousands of dollars just to get orientated," Morning Star Gold's Max Garling told BusinessDaily this week.

Given that Morning Star has recently reported sampling results as high as 1600 grams per tonne and averaging at 170 g/t, the executive director of the junior Victorian explorer must place a high value on those records.

Mr Garling said 44,000 microfiched pages of meticulous weekly production reports and drilling results were archived at Melbourne University.

They contain a sparkling reef of information which has led to the company's search through the mine's exciting unexplored "Gap Zone".

"The gap that was never mined," Mr Garling calls this section of the old mine.

The focus of growing interest in the company, it has helped the share price jump from 12 in September to yesterday's close of 40.

When the last miners emerged from the Morning Star shaft in 1963 after a century of mining, the gold price was fixed at a meagre \$US35 an ounce and the once mighty Woods Point-Walhalla gold province, 120km north-east of Melbourne, had lost its lustre.

However geologists from WMC subsidiary Gold Mines of Australia were far from convinced they had exhausted the bountiful mine.

Despite yielding more than 833,000 ounces (25 tonnes) at an average 26.5 g/t over its lifetime, the province's last and greatest mine was left to capital-starved local prospectors to pick over and dream about reviving.

However Mr Garling, a Sydney lawyer turned miner who has a long-time interest in the area, and some associates picked up the mine lease for a \$100,000 "song" in 1990.

Consulting geologist Peter Jackson, a former La Trobe University lecturer, said the records of more than four decades left a lot of unanswered questions.

"It amazes me that WMC didn't keep going," he said.

"It is almost like they raped the mine, took the easiest ore body and left."

To Dr Jackson the geology at Woods Point–Walhalla, with its iron–rich dykes, is more interesting than the sedimentary–hosted gold of the Bendigo–Ballarat province.

He said that with the current gold price there were many other old mines in the area which had the potential to be re–explored.

The Morning Star has 23 levels in total, but not all the levels were mined.

Mr Garling explained that the original miners worked down to level eight, but then largely skipped the next seven levels before resuming their chase for the richest reefs on lower levels.

"What we have already discovered is that there is still high–grade gold in levels four to seven," Mr Garling said. "But our drilling program 18 months ago into the gap area uncovered several reefs with indications of visible gold in 21 locations.

"Far from being mined out, the gold in the mine is still rich."

The company (formerly Mount Conqueror) has spent considerable funds dewatering and refurbishing the shaft down to level eight 800 metres below ground.

A recent \$1.7 million placement has provided sufficient funds to complete the drilling of "Gap Zone" from early next year.