



Jimblebar to become early Warwick mover

The Jimblebar gold project is quickly turning into the leading light of a suite of assets that Warwick Resources Ltd holds on the Sylvania Inlier in Western Australia's Pilbara region.

Just 50km east of Newman, Jimblebar has been subject to two drilling campaigns in 2007 with a third scheduled to start in October.

Warwick's newly appointed managing director Bruce McQuitty told **Gold Mining Journal** the progress made had been more than satisfactory with all seven holes in the last round of drilling intersecting disseminated sulphides in the Sunny South prospect.

"These seven RC holes were chasing up previous interesting intersections at Sunny South," he said. "It has been a positive start."

The Jimblebar area produced more than 3,500oz in the 1930s from shallow workings, which were restricted to the oxidation

zone. But McQuitty said preliminary metallurgical testwork suggested further ore was easily winnable.

"They were after whatever they could easily win and separate with gravity only, but we know it has good metallurgy. From a standard CIP or CIL process we are getting over 97% recoveries and that's without fine tuning the process."

The company announced the results of its first RC drilling programme in June including a hit of 1m @ 160 g/t gold within 8m @ 22.3 g/t from 34m depth in drill hole **WRKRC6**.

Although still at a relatively early stage, Jimblebar is shaping up as an important project for Warwick, according to McQuitty.

"We have demonstrated there are no nasties in the metallurgy, we have demonstrated the presence of high-grade, shallow gold shoots and the next thing we are trying to demonstrate is more along strike continuity in the current programme.

"We are looking at which projects are likely to generate early cashflow and the gold project has that potential because it is shallow and has some high-grade shoots in it."

This could mean Jimblebar's development will advance more rapidly than that of the company's Copper Range copper project.

"Given the encouragement we have had from the first drilling programme we feel Jimblebar has the potential for us to take it to inferred resource even before Copper Range, somewhere near the middle of next year.

"It's a matter of determining which one we should apply the most resources to and Jimblebar, because it has that early potential, looks to be the one."

Detailed magnetic and IP surveys are planned for the project but before then more geochemical targets will be generated through a scout aircore drilling programme.

The Sylvania Inlier has not seen exploration on a scale remotely like that of the Yilgarn Block but McQuitty said BHP Billiton Ltd's work in recent times meant Warwick was not the only company to recognise its prospectivity for not only gold but a range of minerals.

"BHP Billiton has been working its ground around the Sylvania Inlier. There is definitely quite a lot of action around the Sylvania

Inlier for gold. Jimblebar is not the only gold prospect there but it is one of the most advanced."

As well as Jimblebar and Copper Range, Warwick controls an inferred nickel laterite resource at Waite Kauri, 21km north of Murrin Murrin and a number of grassroots chromite, nickel and uranium plays in the Sylvania Inlier.

McQuitty said although the company was investigating the possibility of divesting Waite Kauri, it would seek to continue its grassroots exploration, even if Jimblebar nears development status.

"I think we would still work up the other targets slowly. We are in a very good part of the world in regards to infrastructure. When it comes to the big step for large expenditure at the nickel prospects we may look to do things differently. In the meantime we will do the cheap and easy stuff to keep the targets coming.

"We're budgeting \$2 million for exploration in the 2007/8 year. It is highly fluid (but) we don't break spending down onto a project-by-project basis."

– Dominic Piper