

# The West Australian

## Superior strikes gold with first drill hole near Townsville

Matt Birney SPONSORED

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Superior Resources has delivered a 10m gold intercept going 2.8 grams per tonne gold from the first hole at the Steam Engine lode, located within its Greenvale project 210km west of Townsville in Queensland. The result, in conjunction with visual observations of thick mineralised zones in other holes, has prompted the company to launch into another 5,000m of drilling aimed at growing the 122,000-ounce deposit at the Steam Engine prospect.

Superior recently commenced an 8,000m drilling campaign at the 100 per cent owned Greenvale project and already the company has upped the ante with another 5,000m of drilling set to begin at the Steam Engine load.

The 8,000m campaign is focused on several prospects at Greenvale, with copper targeted at the Bottletree and Wyandotte prospects and nickel at Big Mag and Dido.

The latest results however take in the gold potential at Greenvale where the company has identified several parallel gold lodes as part of the Steam Engine mineralised system.

Drilling is aiming to expand the existing resource which clocks in at a sturdy 1.73 million tonnes going 2.2 g/t gold from two lodes - the Steam Engine lode and the Eastern Ridge lode some 500m further south-west.

Another 1.2km south-west of Eastern Ridge, maiden drilling is targeting gold mineralisation at the Dinner Creek lode.

Superior says the first assay received from the Steam Engine lode has shown the mineralised zone to be getting broader down-dip. The 10m intercept at 2.2 g/t gold falls within a thicker 19m zone going 1.7 g/t gold from 58m. Additionally, a 1m interval within the hole returned an impressive 19.7 g/t gold.

Management says that visual observations of other holes at the prospect are also showing an increase in thickness of the mineralised zones, suggesting potential for a larger than expected high-grade ore shoot system.

Superior now plans to delve into a 5,000m drilling campaign targeting down-dip extensions of the high-grade mineralisation at the Steam Engine lode.

At Dinner Creek, results from 13 holes of the maiden campaign have returned anomalous gold mineralisation including a sound 2m at 2.1 g/t gold from just 33m.

Notably, the company believes the mineralisation intercepted at Dinner Creek has confirmed the presence of a large mineralised system that is likely to be related to the Steam Engine and Eastern Ridge lodes.

Management says the Dinner Creek mineralisation and alteration are comparable to the Steam Engine and Eastern Ridge lodes, although multiple zones at Dinner Creek are reported to be wider at surface.

*Drilling at Dinner Creek has shed further light on understanding the controls on gold mineralisation at Steam Engine and has also enabled an appreciation of the scale of the mineralising system. Steam Engine certainly appears to be a significant orogenic gold system and in terms of mineralisation style and controls, we are drawing analogies to the large 14-million-ounce Callie deposit in the Northern Territory.*

*Importantly and not unexpectedly, we are seeing a substantial down-dip thickening of the Steam Engine lode as evidenced visually by thick sulphide-rich alteration zones observed in several holes. Assays have been received from one of the Steam Engine holes, which has returned up to 19 metres of an ore-grade zone in SRC105. Other holes, for which assays remain outstanding, show even thicker zones of continuous sulphide mineralisation up to 23 metres thick.*

Superior Resources Managing Director, Peter Hwang

Superior believes the thick zones of mineralisation are likely to grow the ounces at Steam Engine ‘substantially’, with the extended 5,000m drilling program to focus on the broad zones.

Detailed field mapping and geochemical sampling has also outlined anomalous gold-in-soil anomalies under areas of shallow soil cover in the vicinity of Steam Engine.

The company is now set to tackle a detailed ground magnetometer survey in late August that will look to identify the lode structures hidden under cover sequences.

Superior is seeking to build on results from a promising scoping study that contemplated a small-scale gold operation at Steam Engine using regional milling capacity to process up to 79,000 ounces of gold over 21 months.

The early-stage study highlighted robust financials with a base gold price of \$2,200 per ounce generating overall post-tax cash flows of \$24.2m, a net present value of \$21.2m, with an internal rate of return clocking in at an impressive 242 per cent.

The study forecast a modest start-up capital expenditure of between just \$5m to \$10m for the proposed operation, with a payback period of just 11 months.

Superior is looking to grow the resources at Steam Engine to underpin a stand-alone processing plant in its ongoing feasibility study works. With encouraging early results and a

drilling blitz about to be unleashed at the prospect, Superior now looks to have a glint in its eye.