

NEWS

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ELECKRA STRIKES IT RICH AT YAMARNA IN WESTERN AUSTRALIA, AND LONDON'S INVESTORS ARE LIKELY TO BE THE FIRST TO KNOW THE FULL DETAILS

By Our Man in Oz

Mother said it was rude to say "I told you so", which is why Minesite's Man in Oz will not quite go down that road, but rather simply refer readers interested in Eleckra Mines to a story from September 29th which hinted (loudly) that the Australian gold explorer was closing in on proving the existence of an entirely new gold province. Back then, all of five weeks ago, Eleckra was trading at A13 cents and not attracting much interest, outside a band of hardy followers. Wow, do times change! Early this Wednesday 3rd November, Eleckra traded up to an all-time high of A36.5 cents, a better than double-your money trip in just over a month. But what makes this even more interesting is that while the action is in a very remote part of Western Australia, it is likely to be London investors who get to hear first what's afoot at the Yamarna project. Eleckra's executive chairman, Ian Murray, will be presenting at the next Minesite Forum on November 16th, possibly with the most important set of assays in the company's history in his back pocket.

What Ian might have, if 72 metres of drill core can be assayed in the promised two weeks, is news of a discovery which will change everything for Eleckra. Until now, the company has been working almost on its own in a patch of Australia some 900 kilometres north-east of Perth, and 140 kilometres east of Laverton, the last watering hole before the South Australian border. It is a region with virtually no surface rock outcrop – everything's been weathered flat by four billion years of wind, rain and sun. But under the billiard table flatness run ancient fault systems which have brought gold to the surface in a series of near-parallel structures. Three of those are well-known, and include the richest of them all – the one that runs through Kalgoorlie. What Eleckra is seeking to prove, though, is that there is a fourth major sheer-zone that incorporates its Yamarna project, and then runs south into the rich Tropicana discovery of Independence Group and AngloGold.

Previously Eleckra's plan to make the shift from explorer to miner centred around the Central Bore discovery where most of the company's current resource of 750,000 ounces of gold is located. Modest in size and grade, Central Bore never stirred much interest among investors. That started to change on October 25th when the company reported a bonanza hit of 845 grams a tonne, or 27 ounces, across a very thin one metre section, news that lifted the share price from A18 cents to A22 cents. That was followed on Monday 1st November with first news from drilling on the Justinian trend, which runs parallel to Central Bore just 200 metres to the east. No assays have been received, yet, but panning the drill cuttings has liberated visible gold. And that news lifted Eleckra from A22 cents to A28 cents.

Now comes news fresh from the field, where the latest drilling at the Justinian structure was completed on Friday 29th October. A total of 11 holes were drilled, adding up to 1,490 metres ranging in depth from 81 metres to 237 metres. Fine gold has been panned at intervals in a number of the holes, but in hole number 116 the visible gold was noted virtually all the way down, from 35 metres to when the hole ended at 107 metres. It's the assays from Hole 116 that Ian and his crew, led by general manager, Zingy Lubieniecki, are now waiting for. All being well, they should be ready in time for the November 16th Minesite Forum. Ahead of that event interest has already been sparked among investors, who have now driven the shares up to a closing trade at A36.5 cents at the time of writing – a price which values Eleckra at A\$82 million, and a level which puts it on the radar screen of institutions.

The enthusiasm building inside Eleckra was almost measurable, when Minesite called Ian to discuss the latest developments at Yamarna, and to inquire whether Central Bore remains the place at which Eleckra will start mining. "That was the case, until a week ago," Ian said. Next inquiry: is Justinian a game changer? "It could be. We had those first seven metres of visible gold in Hole 107, which certainly raised interest to a new level. We're waiting on assays but

there was a lot of sulphide material masking the gold in the pan."

"On Friday, Ziggy drilled a hole to the south. That was No.116 where he hit mineralisation from 35 metres. On Friday night Ziggy phoned to say he was getting on a plane to come back to Perth so we can head off to Europe and the Minesite forum. He left the camp to get on the plane with the hole down to 100 metres and drilling ahead. Mineralisation ended at 107 metres, and while we don't know precisely what's there, visible gold was noted at intervals all the way down, plus all the usual trace elements that are associated with the gold at Central Bore." Next question: how long to get an assay from 72 metres of drill core? "Normally, they could push that through in four weeks. Because it is such a big and important core we're told it can be done in two weeks", Ian said.

The devil, as ever, will be in the detail of the assays and future drilling. What makes this latest news from Yamarna so important is that Justinian is a discovery which lies between the Central Bore line of strike and another structure named Central Bore East. As it currently stands Justinian looks to be thicker and richer than anything else in the Yamarna area, which is itself part of a massive tenement holding covering 3,200 square kilometres in the far eastern goldfields of Western Australia, and which appears to have similar geological and geophysical signatures as Tropicana to the south.

London, after showing little interest in Eleckra, apart from the long-term support of Richard Lockwood, is waking up to the Yamarna story. The last time Ian visited he could only organise sufficient meetings with investors to fill in a day of his dance card. As he gets ready to pop over for the next Minesite forum Ian's dance card already covers three days, and is growing – in tandem with Eleckra's share price.

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