

September 29, 2010

Eleckra Is Starting To Unlock An Entirely New Gold Belt, Stretching North From Anglo's Massive Tropicana Project In Western Australia

By Our Man In Oz

Most explorers join the dots to demonstrate that they have made a discovery. [Eleckra Mines](#) is doing it differently. It is drawing lines in the sand - but what lines, and what sand! Over the past few months a furious drilling program at Eleckra's Yamarna project, in the remote semi-desert country north-east of Kalgoorlie, has started to reveal a fresh series of near-parallel lines of strike carrying rich gold assays. Patient Eleckra investors might ask what's new? - their company has been sitting on a reasonable resource of 750,000 ounces in its original Yamarna discovery zone since 2008. The answer is that the latest "lines of discovery" are richer, thicker, and have the unmistakable look of a mine-in-waiting.

The first recent clue that Eleckra is onto something better than its original discovery, which graded a somewhat lowly 1.78 grams a tonne, came with the discovery of the Central Bore prospect a few kilometres to the east of Attila. This is where assays up to 60.9 grams per tonne over four metres were returned, with an ultra high-grade core of up to 182.8 grams per tonne over a metre. Those assays were reported late last year, at a time when not too many people were looking either at the wider gold market, or at Eleckra's work in a region which can only be called back-of-beyond.

What has the potential now significantly to enhance the outlook for Eleckra is the latest set of discoveries that it's been delivering, which consist of more near-parallel lines of strike, deliciously close to the original Central Bore discovery zone. Last week the first complete set of assays from rotary air blast (RAB) drilling was returned from the Central Bore East anomaly, located about 250 metres east of Central Bore itself. Best hits were seven metres at 4.32 grams per tonne, starting at a depth of 28 metres, and six metres at 1.39 grams per tonne, from 24 metres.

To a casual observer, the latest drilling results are difficult to comprehend without having an Eleckra director close at hand to explain what it means. Minesite's Man in Oz went one better yesterday. He didn't consult just one director. He spoke to two. First up was a chat with Russell Davis, a man best known as managing director of copper explorer, [Syndicated Metals](#), who was conveniently on hand at an investment conference in Queensland, which Minesite just happened to be attending (at the Royal Pines golf course, if you must ask). It was Russell who drew a "mud map" on the back of a Talisman Mining presentation to explain

what's afoot at Yamarna, and Central Bore in particular – and it's that map which triggered the lines-in-the-sand analogy.

If you look at Yamarna from above, something which was suggested on Minesite in July, when we last scrutinised Eleckra, there is a long line of discovery called Attila/Alaric, and it's this which contains most of that original 750,000 ounce resource. As the eye travels east, aided by Russell's mud map, the fresh lines of discovery start to stand out. First is Central Bore itself, a structure which is being extended north and south with fresh drilling. Then, between 250 metres and 380 metres east, is the freshly-found Central Bore East which was detected using geophysical surveys and geochemical sampling, and which is now the subject of early-stage drilling. Two lines of mineralised strike within a few hundred metres of each other is encouraging, especially as the gold grades are significantly higher than the Attila/Alaric zone.

But wait, there's more – both further to the east and further to the west. A few hundred metres from Central Bore East are early hints of another line of strike, yet to be drilled, but giving off exploration signals similar to those that its neighbours have been giving off. And to the west of Central Bore are additional areas of discovery, including one called Byzantium, which abuts the original Central Bore discovery, and another called the Hann discovery, which lies closer to Attila/Alaric.

Armed with Russell's mud map it was time to talk to Eleckra's chief executive, Ian Murray. His opening description of what's unfolding at Yamarna is that it should no longer be seen as a single project. "It's a regional gold play", Ian said. "We're starting to unlock an entire gold belt which appears to stretch north from the six million ounce Tropicana discovery in the south." Ian said the four discoveries made so far could prove to be just the start of exploration success, with a number of separate structures yet to be drilled. "We are ticking all the boxes which point to a significant gold project development", he added.

Over the next few months assay results will continue to flow, as Eleckra maintains its busy schedule of reverse circulation (RC), rotary air blast (RAB) and diamond drilling, with the diamond work designed to test structures at depth. In August alone the company punched down 17,000 metres of RAB drill holes, and there's another 7,000 to 10,000 metres of RC and diamond drilling scheduled between now and the end of November. Over the Christmas recess desk work will move towards re-assessing the resource numbers for Yamarna, and it looks a no-brainer that the long-standing 750,000 ounce resource will soar through the one million ounce mark – complete with sufficient high-grade material to start mine planning.

On the market, Eleckra continues to gather strength. A stock which was A7 cents at this time last year, and A10 cents two weeks ago, this week touched A13 cents in relatively heavy trade. News flow, especially the assay results from the discovery zones around Central Bore will be the driver for the shares over the next few months. After that will come the resource upgrade, and then, perhaps in quick smart time, Eleckra will be able to declare that it has mine. And all thanks to drawing lines in the sand and connecting some dots.

For more articles like this, register for FREE at www.minesite.com