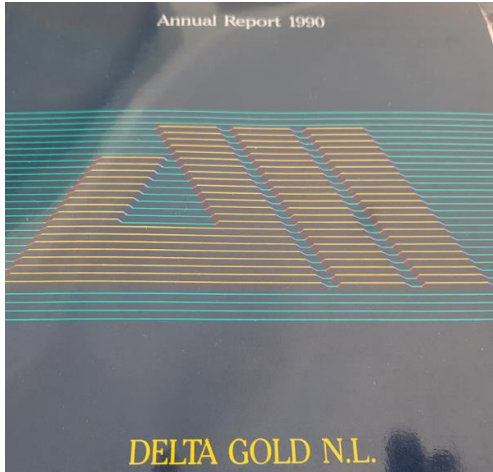


# DELTA GOLD EXPLORATION from 1990 Annual Report



Alistair Cowden    Guy Lewington    Kim Stanton-Cook    Terry Peachey

## KANOWNNA AREA – Western Australia

Exploration managed by Delta for the Golden Valley Joint Venture (Delta 50%, Peko Gold 50%) continued to focus on defining additional heap-leachable gold resources for the QED mine. Moderate success was achieved, with the definition of measured and indicated resources totalling 70,000 tonnes with an average grade of 2.4g/t gold. These resources are now the subject of detailed mine planning by Peko Gold.

More important was the discovery of a significant new gold prospect called **Kanownna Belle**, in the GVJV area approximately 2km south of the QED mine facilities. Drilling during the year at Kanownna Belle has outlined a mineralised zone over an area of approximately 200 metres in a north-south direction, by 600 metres in an east-west direction, at depths of between 30 and 100 metres. Mineralisation remains open to the south and southwest.

A total of 77 reverse-circulation drill holes was completed during the current financial year to test the Kanownna Belle prospect. Best intersections were:

Hole	Interval* (metres)	Intersection (metres)	Grade** (g/t)	Grade** (g/t)
4	43 to 54	11	15.7	6.7
8	42 to 55	13	7.8	5.9
13	54 to 76	22	3.1	3.1
14	43 to 49	6	17.1	11.3
15	41 to 49	8	7.8	6.9
35	44 to 63	19	38.8	10.6
43	38 to 46	8	23.0	6.7
51	32 to 50	18	8.7	5.3
58	58 to 63	5	14.7	9.6
60	39 to 48	9	7.7	5.6
70	53 to 65	12	33.8	14.2
	77 to 83	6	87.8	12.0

**Notes:**

- \* Down-hole depth. All holes inclined at 60°.
- \*\* Uncut average grade.
- \*\*\* All values above 20g/t cut to this level.

Terry Peachey



Alistair Cowden



## GOLD PROJECTS IN FEASIBILITY STAGE

During the 1990 financial year, Delta and its subsidiaries completed evaluation and feasibility study work on two small gold resources: the **Phoenix Gold Project** (previously called Kasowwa Gold Resources) at Kasowwa in Western Australia, and the **Torleven Joliet Venture** near Kwekwe in Zimbabwe.

The feasibility study on the **Phoenix Gold Project** (Delta 100%) indicates that at current low gold prices, and in light of impending income taxation on gold mining, the development of this small resource, which contains approximately 36,000 ounces of gold, is not attractive. Therefore, Delta will not proceed with development now, but will hold the property in anticipation of higher gold prices and/or the discovery of additional resources in the Kasowwa area.

At the **Torleven Gold Project** (Delta Group 50%) in Zimbabwe, a trial heap-leaching operation was completed. Gold recoveries did not reach the minimum levels required for profitable mining of this low-grade resource and no further work on Torleven is planned. The trial heap-leaching operation was successful to the extent that sufficient gold was recovered to meet a significant portion of the associated costs.

The pre-feasibility study on a third project, the re-opening of the **Pickstone Underground Gold Mine** (Delta Gold 100%), near Chegutu in Zimbabwe, was completed by Delta in July 1990 and is currently under review. The old Pickstone mine produced approximately 300,000 ounces of gold under the management of Rio Tinto Zimbabwe, which closed the mine

in 1971. A review of old mine records has shown that developed underground reserves of 120,000 tonnes grading 71g/t gold remain in the old workings. In addition, the resource remains open at depth. Results of the feasibility study will be announced once the review is completed early in the coming financial year.

Evaluation continues on the **Peerless Open-Pit Gold Project** (Delta Group 100%) also near Chegutu in Zimbabwe, where a close-spaced delineation drilling programme is nearing completion to define further an inferred open-pit resource of 840,000 tonnes grading 2.9g/t to a depth of 50 metres. Delays have been encountered in obtaining reliable gold assay results on the very large number of samples generated by the drilling programme scheduled to be completed early in the coming financial year. Subject to favourable resource calculations, a feasibility study will be undertaken on the viability of a new open-pit gold mine.

Within the same property as the Pickstone underground mine and the Peerless open-pit project is a major tailings dump resource, the **Pickstone Tailings Project**, which is the subject of ongoing evaluation by Delta. The resource comprises two adjacent tailings dumps, one containing an estimated 1.3 million tonnes grading 1.2g/t gold, and the other containing an estimated 358,000 tonnes grading 3.2g/t gold. Laboratory testwork is underway to define the best method of meeting metallurgical challenges involved in recovering gold profitability from these resources.



## EXPLORATION

During the year to June 1990, Delta continued to focus its exploration efforts on gold targets in Western Australia, principally at Kanowna and in the Laverton area near Granny Smith. In addition, Delta increased its search for new exploration opportunities elsewhere in Australia, both for base and precious metals, and continued work on existing precious metals exploration properties in Zimbabwe through its local subsidiary, Masasa Mines.

### KANOWNA AREA - Western Australia

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More important was the discovery of a significant new gold prospect called **Kanowna Belle**, in the GJV area approximately 2km south of the QED mine facilities. Drilling during the year at Kanowna Belle has outlined a mineralised zone over an area of approximately 200 metres in a north-south direction, by 600 metres in an east-west direction, at depths of between 30 and 100 metres. Mineralisation remains open to the south and southwest.

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60	39 to 48	9	7.7	5.8
76	53 to 65	12	33.9	14.2
	77 to 83	6	47.8	12.0

#### Notes:

\* Down-hole depth. All holes drilled at 60°.

\*\* Trench average grade.

\*\*\* All values above 20g/t cut to 50g level.



Jeff Ion



Peko Gold is conducting an initial mine engineering study to assess the potential viability of the Kanowna Belle prospect. Delta will make timely announcements regarding the Kanowna Belle resource and plans for its development as this work progresses.

At this early stage, it appears likely that any development at Kanowna Belle will be based on a conventional CIP milling plant, rather than the QED heap-leaching operation, due to the high gold grades and the hardness of the rock which hinders mineralisation.

#### **LAVERTON AREA – Western Australia**

Work continued during the financial year on gold target definition, both within existing Delta properties and also to assist with Delta's property acquisition programme in the Laverton area.

In May 1999 Delta concluded a transaction with the Ashton Group on the **Gladiator South prospect** (Ashton 80%, Delta 20%), whereby Delta sold its interest in an area containing a small gold resource discovered by Ashton. Delta retains its 20% interest in the exploration property to the south of the Gladiator South resource.

#### **OTHER EXPLORATION**

Investigation of the **Quidong** gold and base metal property (100% Delta) in New South Wales recommenced in 1999 and will continue during the coming year.

Massasa Mines continued its grass-roots gold exploration programme on wholly-owned mineral properties in addition to conducting evaluation work at Peerless, Pickstone, Tarleven and on platinum group metals properties adjacent to the Hartley Platinum venture.



How to hatch a geologist...



Incubate.... Then wait....

