

Awati poised to release prospectus

DRILLING services firm Ausdrill is one of the main backers of Perth-based junior Awati Resources, run by former executives of WMC Resources and Glencore, which is seeking to funds to explore the overlooked Albert goldfield in north-western New South Wales.



The Albert gold field.

03 April 2018 [Haydn Black](#) Editor

Awati was founded by Noel Archer and Jens Balkau. Archer is credited with discovery of the Harlequin gold mine and the Gladstone gold complex in Western Australia, while Balkau is credited with opening the multi-million ounce Duketon Belt, also in WA.

FTI Consulting Australian mining and mining services practice boss Andrew Bantock, formerly the chief financial officer Glencore Xstrata's Australian nickel business, has taken on the role of independent chairman.

Executive director Rob Hodby, a 20-year industry veteran, told *MNN* that Archer and Balkau had scouted along the zinc-rich Broken Hill to Mount Isa belt for a new project soon after leaving WMC.

"In 2003 they were looking at that mineralised belt, and it goes underneath a lot of deep cover," he said.

"While they were there they noticed a whole bunch of gold anomalies around Tibooburra, and that's how they rediscovered the Albert gold field."

Hodby said WMC had been "a good breeding ground for going out and finding resources under cover", and that lay the groundwork for Awati.

Discovered in 1883, Albert was worked intensively for about 15 years until disease and a lack of water made it too difficult to pursue, and effectively all production ceased by 1930.

Depending on which records are examined, between 60,000-10,000 ounces was recovered, mostly from alluvial gold with just 10% from hard rock.

The remote, dry gold field has seen little systemic exploration since, and until Awati it had been largely been controlled by small prospectors or private companies looking at the alluvial gold potential.

Awati started acquiring ground in the area 2004 and has been working on the project ever since believing there must be a source nearby given indications the gold has not travelled far, and over time it has refined its focus on the New Bendigo Fault.

"Every time we do a little bit of work on it the model improves, and in 2016 we got a co-funded drilling grant from the NSW government and drilled a series of diamond holes. While we had some reasonable results they were not exactly where we anticipated," Hodby said.

Since drilling the company has shot and interpreted new seismic and defined the large, regional-scale fault, which is visible in gravity and magnetic images, and should be the main factor in controlling the emplacement of gold mineralisation.

Hodby said the time was right to raise some serious cash and drill.

Interest appears to be high in the IPO because there are few fault-constrained mineralised zones that don't have a decent resource associated.

There is still small-scale alluvial gold mining to the north while to the south gold nuggets and specimen stones have been discovered, all of which supports the idea the fault is the source of the gold.

"We liken this to being in control of an unexplored greenstone belt that is 160km-long, and there are not too many greenstone belts that don't have significant resources on them," Hodby said.

Awati approached Ausdrill last year, and the mining services firm's in-house geologist liked the project, which led to some seed funding and introductions to brokers, including Argonaut Securities, which is managing the offer.

The plan is to raise \$4.5-5.5 million will help fund more detailed exploration of the bedrock, orogenic gold including an immediate 6000m drilling campaign with Ausdrill that should begin in April.

Ultimately, the company plans to spend up to \$4.3 million over the next two years.

The IPO is yet to open. While a prospectus was prepared the regulator required removal of any reference to a Junior Mineral Exploration Tax Credit application by Awati.

A supplementary prospectus is being prepared and should be released shortly.