



Impact Minerals (ASX: IPT)

Major drill campaign for Impact's Commonwealth project

Impact Minerals' (ASX: IPT) is confident it could grow Resources at the company's 100 percent-owned Commonwealth project to at least one million ounces in the next 12 months. *By Ron Berryman*



THE COMMONWEALTH PROJECT SITS JUST six kilometres from Wellington in New South Wales, where the Macquarie and Bell Rivers intersect, an active region for an alluvial gold mining industry in the 1850s.

Impact's Commonwealth gold-silver-base metal project has a strong historic background.

Opened in 1905, it was one of several gold mines operating near Wellington, where in 1854 Dr Samuel Curtis and Magistrate B Sheridan faced off in the last known duel to be conducted in Australia near the country's second oldest hotel The Lion of Waterloo.

While the duel offered little to Impact's decision to move into the Wellington area, railway access to the Port of Newcastle on the NSW east coast and Port Pirie in South Australia, the location of the town on the Mitchell Highway with a community supportive of mining certainly added to the project's appeal.

The excellent transport infrastructure was a bonus when Impact Minerals managing director Dr Mike Jones and his team were looking at

the old Commonwealth mine, located 100km north Orange on the richly mineralised Lachlan Fold Belt.

The Belt hosts numerous gold and copper mines, including one of Australia's biggest gold mines, Newcrest's Cadia-Ridgeway, which has produced over nine million ounces of gold since 1999.

The Lachlan Fold Belt is a zone of folded and faulted rocks of similar age dominating NSW and extending into Victoria, including the major gold mining regions of Bendigo and Ballarat.

Commonwealth's appeal grew after high-grade rock chip samples taken by Impact, and previous explorers, returned assays of up to 24g/t gold, 1,100g/t silver, 2.6 per cent copper and 5.7 per cent zinc, doubling the known mineralised zone strike length to at least 600m.

"To be able to set foot on such significant ground in the Lachlan Fold Belt is an excellent development for Impact," Dr Jones told *The Resources Roadhouse*.

"We acquired the Commonwealth project for just \$250,000 at the

beginning of the resources downturn, a deal that is now looking to be an excellent investment."

Early exploratory work influenced Impact to increase its holding to 1,000 square kilometres.

Further drill results from the Silica Hill prospect indicated the acquisition could be a game-changer for Impact with the discovery of high-grade gold and very high-grade silver including:

- » 41.3m at 2g/t gold and 176g/t silver from 61m, including 16.3m at 3.7g/t gold and 246g/t silver.

The Commonwealth project has an established Resource of 720,000 tonnes at 2.8 grams per tonne gold, 48 g/t silver and 0.6 percent lead.

"We believe that with further drilling the Commonwealth and Silica Hill mineralisation will link up at depth," Jones continued.

"Over the next six months we're planning a campaign of 3,000 metres of RC diamond drilling to test targets along trend and at depth from the current resource to demonstrate the potential for at least a million ounces to warrant a major development."

Impact's follow-up drill program received all statutory approvals and the company has started clearing access tracks and drill pads.

"We also announced two five kilometre long trends that are very prospective for further discoveries of gold-silver-base metal mineralisation similar to Commonwealth-Silica Hill," Jones said.

"New drill assay data, and results we discovered in the New South Wales Government databases, identified extensive barium as an important pathfinder and indicator element along these trends.

“Barium is a significant accessory element and can be used as a vector and direct indicator of ore in gold-rich Volcanogenic Massive Sulphide (VMS) deposits like Eskay Creek in Canada.

“A strong correlation exists between high-grade gold and high-grade barium to the deposits at Eskay Creek, which has produced four million ounces of gold and 150 million ounces of silver.”

Assays from Commonwealth of up to 1m at 17.7 per cent barium were returned within a thicker intercept of 7m at 9 per cent barium.

Sporadic assays from drilling by previous explorers also indicated high-grade barium in places and throughout the massive sulphide mineralisation.

“It is also a minor component in the surrounding disseminated mineralisation and within the high-grade gold-silver mineralisation at Silica Hill,” Jones said.

“Significant gold and silver mineralisation has been intersected in six drill holes at Silica Hill covering an area of 200 metres by 100 metres to a depth of 120 metres below surface with an average true thickness of at least between 50 and 70 metres.

“This mineralisation is open in all directions.

“Four of the six drill holes also returned gram-times-metre intercepts greater than 100 gram-metres, demonstrating potential for bulk mining.”

Impact’s 2016 drill program also intersected high-grade extensions 30m down plunge of the Commonwealth Resource with highlight results in massive sulphide at Main Shaft, including:

- » 7m at 6.3g/t gold, 496g/t silver, 7.2 per cent zinc, 2.9 per cent lead and 0.2 per cent copper from 91m, including 3m at 10.6g/t gold, 571g/t silver, 7.8 per cent zinc, 2.1 per cent lead and 0.2 per cent copper from 92m; and
- » 1m at 2.5 per cent gold, 979g/t silver, 8.3 per cent zinc, 4.4



per cent lead and 0.1 per cent copper from 95m.

Further high-grade intersections at Commonwealth South of 15m up dip and 40m down plunge and along trend included:

- » 2.6m at 10.6g/t gold, 55.7g/t silver, 2.5 per cent zinc and 0.9 per cent lead from 88.1m, including 0.9cm at 23.2g/t gold, 94.6g/t silver, 3.6 percent zinc and 1.6 percent lead.

One aim of the drilling was to confirm the four areas drilled are part of one large mineralised system covering many square kilometres.

Initial work by Impact has demonstrated this is likely to be correct.

Jones stated the company’s policy of, “doing the proper work properly” was a key factor in the development of the project.

“It’s difficult to do without time and money and that’s something junior companies often don’t have,” he said.

“We’re hopeful our next 12 months will set us on the path to a major company-making discovery.

“The work at Commonwealth over the past three years has shown rocks on both the eastern and western side of the Molong Belt, which hosts the Cadia-Ridgeway mine and which were perceived to be relatively unprospective, do in fact have tremendous potential for the discovery of deposits similar to Commonwealth and our emerging gold-silver discovery at Silica Hill.

“We have shown good detective work, using good old fashioned

geological thinking and field work, can lead to exploration breakthroughs

“New ground we recently pegged throughout this part of the Lachlan Fold Belt contains abundant mineralised locations, most of which have not been drilled and are poorly understood.

“They are exciting projects to be working on.

“Development of the mine may include a small open pit initially, but to keep the footprint contained, a small underground mine would be preferred.”

The company received a welcome boost and a vote of confidence from shareholders when a Share Purchase Plan in May raised \$1,073,970.

“We are very pleased with the outcome of the SPP given the difficult market conditions of the past few months,” Jones said.

“We can now move on with the drill program at the Commonwealth project.”

The Short Story

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