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GOLD FOUND

Two mining companies locate precious metal at Bodangora

GOLD finds by two mining companies near Wellington have reignited widespread interest in a once burgeoning golden stretch of the central west.

Alkane, which has the Tomingley Gold operation and is soon to begin the \$1 billion Dubbo Zirconia mine, and Impact Minerals, which is backed by Andrew Forrest, have announced good exploration results at Bodangora.

Alkane managing director Ian Chalmer said history proved there was gold at Bodangora and he suggested while not mine-ready the project "is on the peripheral and potentially technically interesting".

"I have always said Bodangora is a little like a jigsaw puzzle with a 1000 pieces and until we can fill them in we can't get the real picture but we are getting positive results," he said.

At the nearby Commonwealth Mine two big drilling rigs will begin work on Wednesday to explore for gold. Impact Minerals manager Dr Mike Jones says results so far have been good and he is hoping for finds which could be a game changer in the project.

"New work at the company's 100 per cent-owned Commonwealth gold-silver-zinc-lead-copper project has revealed both the potential

to significantly increase the size of the known resource at the Commonwealth deposit and identified several new nearby targets for similar deposits of high-grade massive sulphide."

Recently the company began a fundraising campaign to support the project.

"The funds raised from the SPP will be used to help fund a drill program of up to 3000 metres of reverse circulation and diamond drilling to

test a significant number of targets within the Commonwealth, Silica Hill, Doughnut and Welcome Jack Prospects."

The Alkane project at Bodangora continues to be watched closely by its general manager but there is little doubt managers of both companies will be keeping an eye on each other.

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Gold found at site near Wellington

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Both projects have similarities to one of Australia's biggest gold mining projects at Cadia near Orange.

"The monzonite intrusive complexes are similar to those hosting the major gold - copper deposits in the Cadia region to the south of Bodangora Elsenora Project," Alkane reported to the Australian Stock Exchange.

"Although structurally more complex than the Cadia Valley area, results of this work have shown that a stratigraphic sequence very similar to that at Cadia Valley exists within the project area, and that mineralisation is hosted by very similar rock types at very similar stratigraphic positions."

Bodangora is also the site of the Infigen Energy Windfarm.

Earlier in the week Alkane announced subsidiary TGO (Tomingley Gold Operations) had executed initial documentation for a credit-approved loan and hedging facility with Macquarie Bank Ltd (MBL) for \$14 million, which will be applied to working capital. Mr Chalmers said he was pleased

with Tomingley's performance.

"We are very happy. It is doing well and it is helping to fund ongoing work we are doing on the Dubbo Zirconia mine."

Some of the money it has acquired will be to use exercise options on land it has purchased for the Dubbo Zirconia mine.

The additional land, which is maybe more than is needed for the mine, will form part of an off-shoot farming business which may also be used to finance the Zirconia project. Alkane would form an off-shoot farming company to oversee that sector of its business it is appointing experts in that field.