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<https://stockhead.com.au/experts/anglo-australian-returns-golden-mile/>

John Jones knows his way around a drill rig. Pic: Anglo Australian Resources

Anglo Australian returns to where it all began, the fabulously rich Golden Mile

Exploration is rarely seen as a personal crusade when undertaken by a company, but in the case of Anglo Australian Resources (ASX:AAR) and its search for a southern extension of Kalgoorlie's fabulously rich Golden Mile there is a touch of the personal for the chairman, John Jones.

Deeply embedded in WA's gold capital, and its surrounding sheep stations, John is the best-known face of a goldfields family and its extensive business interests that cover farming, trucking and mining.

Gold, however, is John's first love and the reason I met him as far back as the early 1970s when he was chairman of North Kalgurli Mines, a significant gold producer with roots more than 100 years deep, all the way back to the original Kalgoorlie gold rush of the 1890s.

Anglo Australian is a much smaller company than North Kalgurli, but it is doing what countless earlier explorers have done; seek more of the gold that triggered the rush.

Long dormant, with a share price that started 2017 at 1c, Anglo Australian was one of the silent stars of the Australian stock market last year, marching steadily higher as interest grew in its Kalgoorlie gold hunt, reaching 3c in May, and 5c in September, before closing the year at 10.5c.

The focus of Anglo Australian is the Feysville project located just 14 kilometres south of Kalgoorlie's last remaining mines, the giant Superpit which has consumed the entire Golden Mile over the past 30 years, and which continues to produce more than 700,000 ounces of gold a year.

Early drilling at Feysville has provided a sniff of something significant at the Think Big target, named after the dual Melbourne Cup winner (1974 and '75), with a secondary target, Rogan Josh, also a Cup winner (1999).

Best near-surface gold assays so far are 8.2 grams a tonne over 10 metres, and 2.76g/t over 18m, with a potentially more interesting 3.18g/t over 11m at depth, which could be an indication of a substantial gold-bearing system.

More work is required at Feysville before Anglo Australian will know whether it has unlocked the secret of a southern extension of the Golden Mile, a prize that has attracted some of the world's biggest mining companies, but which has always proved elusive.

At one stage even the giant base metals and iron ore specialists, Rio Tinto and BHP, were looking for the southern extension of the Golden Mile.

For Jones, an unusual company chairman in that he is prepared to spend time close to a working drill rig (see picture), the Feysville hunt is a continuation of a gold search which has seen him involved with multiple companies with the best known being Troy Resources (ASX:TRY), which started as a WA goldminer before heading for South America, with less luck than it had locally.

Feysville could be Jones' ticket to rebuild investor confidence after Troy's fall which took it from a high of \$4.86 in mid-2012 to recent sales at 9.8c.

Giving the primary drilling targets at Feysville, the names of Melbourne Cup winners is a clue to his optimism (a third target is Dalray, 1952 Cup winner), as is the name of Anglo Australian, which has a more than passing resemblance to the giant South African miner, Anglo American.

Admirable as thinking big might be it is success with the drill bit which will determine whether Anglo Australian's share-price rise last year of 950 per cent was justified, and whether the stock can continue to rise.

On the negative side of that question is 100-years of earlier, unsuccessful, searching for a southern extension of the Golden Mile, plus search efforts to the north and east, and most famously, to the west with holes drilled in, and around the Kalgoorlie horse-race track.

On the positive side, Anglo Australian has reported the discovery of a previously undetected geological structure slightly to the east of the main Boulder-Lefroy fault which has hosted much of the region's historic production of 70 million ounces.

The Ethereal Shear Zone (yes, Ethereal was also a Cup winner, 2001) is a 7km long fault in the earth's surface through which gold fluids have flowed. It was first identified in late 2016 and confirmed by the Think Big discovery in June last year.

Next step for Anglo Australian is a second round of drilling which started on December 11, with assays from that work hopefully helping confirm the presence of enriched and bedrock mineralisation and, if successful, form the basis of a first pass inferred gold resource to demonstrate the commercial potential of the overall project.

Investors, given the rise in the stock's share price, and market capitalisation which has risen to \$45 million, like what they see in the hunt for a southern extension of Golden Mile, willingly supporting a modest \$1.5 million capital raising last month.

History might not be on the side of Anglo Australian but if anyone is going to find the southern extension of the Golden Mile it's Jones, a man who has spent much of his life, looking for what is arguably Australian mining's most elusive prize.