

New Opportunities – the Victorian Goldfields Ground Release Tender

– from the Department of Jobs Precincts and Resources

The Victorian Government is offering experienced and progressive minerals explorers the opportunity to secure minerals exploration rights to one or more of four large parcels of prospective ground within Victoria's north central goldfields region via a competitive, merit based tender.

There remains potential for an undiscovered gold endowment of 75 million ounces (Moz) across the northern Bendigo, Stawell, and Melbourne geological zones. Simulations predict that up to 32 Moz of this undiscovered gold endowment occurs under cover in the northern Bendigo Zone – the blocks available for tender cover part of that area. The Bendigo Zone contains some of the most gold enriched crust in Australia – at least 24 Moz of gold has been produced from this Zone.

Detailed geoscience data packages and resulting interpretations are available for the northern Bendigo Zone – most of this work relates to the Geological Survey of Victoria's Gold Undercover Initiative that was completed in 2009. The geology is dominated by Ordovician turbidites sequences of the Castlemaine Group that host a series of world-class orogenic gold systems and have been intruded by post-mineral Devonian A-type granites. Younger cover units of the Murray Basin cover these rocks in the northern portion of the Bendigo Zone – these progressively thicken to the north.

The North Central Victorian Goldfields Ground Release area immediately surrounds the Fosterville gold deposit. The Fosterville Gold Mine is the largest gold producer in Victoria and between 2014 and 2018, has increased annualised gold production by 315 per cent (from ~116 koz per annum to ~367 koz per annum. Production guidance for 2019 is 550 to 610 koz at an operating cash cost of \$130 to \$150 per oz sold). This increase is related to a transition in mineralisation style from disseminated arsenopyrite-hosted gold to free gold – illustrated by a 540 per cent increase in gold head grade over the same period (4.6 g/t Au to 24.8 g/t Au). Near mine minerals exploration success at Fosterville continues and current total gold endowment (including historical production) is 9Moz.

Most of the undiscovered gold in Victoria is likely to lie at greater depths than has previously been explored.

The Geological Survey of Victoria estimates that there may be up to 75 million ounces (Moz) of gold yet to find in the central and north central Victorian goldfields. This compares with the 80 million ounces of gold mined from the area over the past 160 years.

*From Australian Financial Review
29 Oct 2019*

One of the mining industry's most sought-after tracts of land is back on the market after the Victorian government confirmed it would consider bids for a tenement beside Kirkland Lake's booming Fosterville mine.

The exploration tenement previously known as EL3539 was taken out of Kirkland Lake's hands in February 2019 as part of a deal that absorbed portions of the tenement into the Fosterville mining lease.

But the acreage is back on the market with a new name; the tenement will be called Block 4 and will cover more land.

Given Kirkland Lake's extraordinary exploration success at Fosterville, Block 4 is expected to be the most hotly contested of four tenements put up for tender by the Victorian government this week.

Extremely high-grade gold discoveries deep underground in 2015 turned Fosterville, near Bendigo, into Australia's most lucrative pure-play gold mine, with rivals such as Newcrest's Cadia mine being more lucrative only because of their copper byproducts (40km from Yalgogrin North).

Block 4 surrounds Fosterville and already has been the focus of some exploration by Kirkland Lake and its forebears.

Kirkland Mines' Billion Dollar Gold Announcement

The operators of the Fosterville Gold Mine near Bendigo have announced a doubling of its underground gold reserves to around 29,200 kg.

Canadian-based Kirkland Lake (KL) Gold said the main factor contributing to the increase was an 83% increase in the underground Mineral Reserve grade, to 17.9 g/t Au from 9.8 g/t. Part of the reserve, recently re-named the Swan Zone (formerly Lower Phoenix Footwall), contributes 15,000 kg at an average grade of 58.8 g/t of gold.

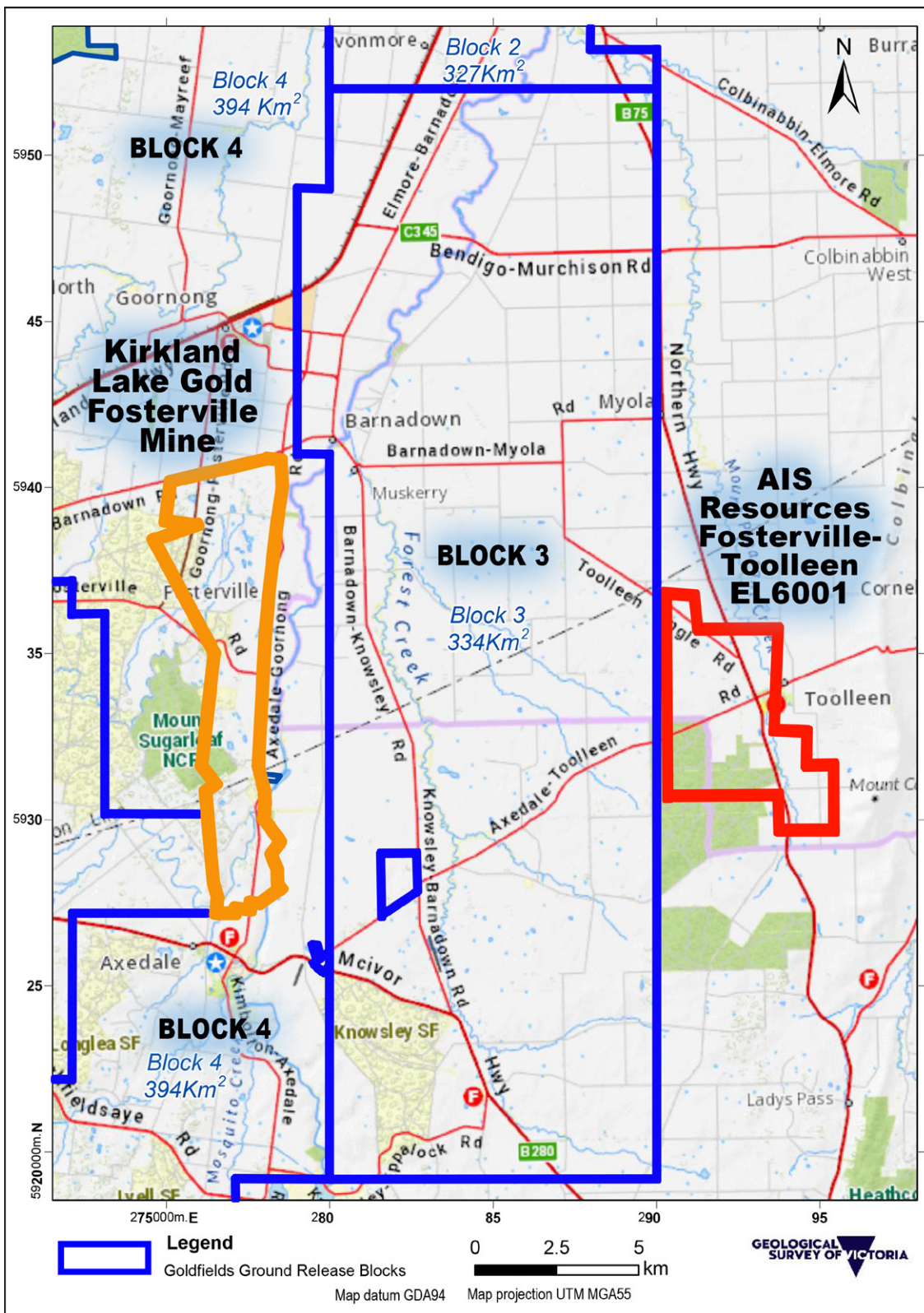
"Fosterville is rapidly emerging as one of the world's great underground gold mines," said Tony Makuch, President and CEO of KL Gold.

"The continuity of the high-grade, visible gold-bearing Lower Phoenix System is having a significant positive impact on the Mineral Reserve grade, production and the mine's cost profile. With the geological knowledge that we have acquired, including increased understanding of the grade distribution, we believe there is potential not only to expand these high-grade zones but to potentially find new high-grade zones along the 20 km of known gold-bearing structures within our mining license, and through exploration of the surrounding 500 km² land package."

Victorian Minister for Resources Wade Noonan said the Victorian Government had provided nearly \$140,000 to Kirkland Lake Gold through its TARGET program, which help companies which want to expand mineral exploration in Victoria by covering up to half the cost of eligible mineral exploration activities – including geophysical surveys, drilling and sample analysis.

"Bendigo is on the verge of another gold rush, and we are thrilled to get behind Kirkland Lake Gold as it ramps up exploration," said Noonan.

"Fosterville hopes to mine more than a billion dollars' worth of high grade gold – that's great news for workers, their families and the Bendigo economy."



The red outline is AIS Resources' Fosterville-Toolleen Gold 26 sq km Project Exploration Licence EL6001, which is currently the closest property (12 km) to Kirkland Lake Gold's (NYSE: KL) 9 Moz Au Fosterville Mine (orange outline). The blue outlines show Block No. 3 and 4 of 5 blocks being released for tender.