



ALLOY RESOURCES UNWRAPPING OPHARA COBALT POTENTIAL

THE INSIDE STORY: Alloy Resources (ASX: AYR) has much confidence in the cobalt/gold mineralisation potential of the company's Ophara cobalt project, located 50 kilometres west of Broken Hill in New South Wales.

Alloy Resources pegged the Ophara project in 2016, smack bang in the middle of what has emerged as a new cobalt province.

Neighbours to the east, Cobalt Blue (ASX: COB) is working up its 30,000 tonnes Thackaringa deposit, while to the west Havilah Resources has the Mutooroo deposit, which contains some 17,540 tonnes of cobalt.

"We have two advanced cobalt projects either side of us and we think there is a really good chance that we could find something of high-grade that will be valuable," Alloy Resources executive chairman Andy Viner told The Resources Roadhouse.

"We are mindful of how much money we currently have available for exploration at Ophara and want to ensure we spend it wisely on the most prospective areas.

"We really think there is enormous potential for the discovery of any amount of cobalt-gold mineralisation within the Ophara project."

The most advanced area within the Ophara project is the Great Goulburn prospect, which has been the main focus of Alloy's initial exploration efforts.

This prospect has similarities to the adjacent cobalt occurrences however it is unique in having low-copper and high-gold mineralisation associated with the cobalt.

Surface rock chip and soil sampling defined a 1.5-kilometre-long zone of cobalt mineralisation at Great Goulburn where historic drilling was limited to six widely spaced drill holes, four of which confirmed consistent subsurface mineralisation.

"We have a great prospect in Great Goulburn, where we have already carried out some RC drilling and proved there is some encouraging mineralisation present there," Viner said.

A 12 hole RC drill program on lines 100 metres apart was designed to define the strike and depth potential of the known cobalt-gold mineralisation at the Great Goulburn prospect.

Results from the drilling indicate the potential for widespread gold-cobalt mineralisation within the Great Goulburn prospect area and that mineralisation appears strongest where a quartz magnetite unit is intersected by sulphide rich fluids, however there also appears to be quartz vein related mineralisation away from these units.

Results included:

AORC002

8 metres at 0.14 per cent cobalt and 0.43 grams per tonne gold, from within 15m at 0.12 per cent cobalt and 0.3g/t gold; and

AORC008

3m at 0.13 per cent cobalt and 0.37g/t gold, from within 8m at 0.11 per cent cobalt and 0.27g/t gold and a further 3m at 0.12 per cent cobalt and 0.36g/t gold.

"The results showed a combination of strata-bound mineralised quartz-magnetite units and areas where mineralisation is more related to faults and quartz veins with sulphide," Viner said.

"The underlying question remained though – what do we do next?"

Alloy conducted a review of historical data that yielded aerial electromagnetic survey data from 1991 completed by BHP Minerals.

Although the Great Goulburn prospect is only one anomaly amongst many within the area, there has been little or no drill testing of the other EM anomalies indicating what appeared to be excellent targets for future exploration.

Alloy has interpreted this to demonstrate the cobalt-gold mineralisation style present at Great Goulburn is strongly pyritic and will show up in such surveys.

"From what we can ascertain so far, from the data to hand, we consider several of these targets that have emerged as being highly-prospective for cobalt-gold mineralisation," Viner said.

"Having completed some thorough ground inspection work, we have now decided to identify and highlight where the best targets are located for the next stage of exploration work.

"We will be conducting a new aerial EM survey over a large area up to 70 square kilometres, which will be much higher quality than the one carried out almost 30 years ago.

"We expect it will be more definitive as it will be more accurate and test deeper than previous work, hence we anticipate being able to line up several targets, which hopefully are going to host a lot of cobalt-gold mineralisation.

"We'll be busy out there carrying out this work for the next month or so then after we have identified the best targets we aim to carrying out follow up first and second pass drilling."

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...The Short Story

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