



Lodestar begins Penfold drilling

By Blake Wilshaw

NEW nickel explorer Lodestar Minerals has started drilling its Penfold project, between Kambalda and Kalgoorlie, after a recent setback caused by heavy rains.

The company listed in December as a nickel spin-off of gold producer Dioro.

There are three ultramafic sequences on Lodestar's 332sq km holdings but the freehold status of the ground has made targeting mineralisation difficult.

"The absence of compulsory (Department of Industry and Resources) reporting on freehold land such as the Hampton locations presents significant problems in terms of data integrity. The data from the locations is incomplete because it has invariably been lost through the numerous changes in ownership," managing director Bill Clayton said.

"The benefit of having a central archive such as DOIR becomes obvious when you are confronted with such a situation.

"The tenements outside the locations do have a record of exploration, however the task of putting all historic data together into a useable format is significant because it is referenced to local coordinates that are not easily transformed into GDA coordinates –

it can be done but it is time consuming."

On the three ultramafic sequences identified at Penfold, the Abattoir prospect is regarded as the most significant.

"Our initial exploration program involves testing the reported zone of mineralisation at Abattoir with four RC drillholes to determine the geological setting and identify extensions to mineralisation," Mr Clayton said.

"In addition we are commencing a regional surface EM program that will cover the Abattoir ultramafic sequence, including the Abattoir prospect, over a strike distance of 12km.

"The duration of this first phase of exploration is expected to be about two months."

Lodestar's exploration program will benefit from the company's relationship with Dioro.

Dioro operates the South Kal gold operations, 35km south of Kalgoorlie, and is a 49 per cent partner in the Frog's Leg gold mine, 20km north-east of Coolgardie.

"Dioro are undertaking their own aggressive exploration program and this allows us to gain access to scarce resources such as drilling rigs and personnel during periods when they're not fully utilised," Mr Clayton

said.

"This is a very fortunate arrangement for a small company such as Lodestar during this initial exploration period.

"In addition, there are benefits in meeting our exploration expenditure commitments; under the conditions of the sale agreement Lodestar is responsible for fully funding the nickel priority tenements and for meeting 50 per cent of the exploration commitments on the equal priority tenements."

Lodestar can gain access to gold priority tenements in Penfold for no cost.

"It allows both companies access to the area but at a lower cost," Mr Clayton said.

"As a further point Lodestar has access to the Dioro database that essentially includes the exploration data recorded from gold exploration over the Penfold project during the past 18 years.

"Although this data was not collected specifically for nickel exploration it contains much information, in a usable form, that is relevant to the search for nickel and we are in the process of reviewing this."



Abattoir exploration: Lodestar Minerals has commenced its inaugural drilling campaign at the Penfold nickel project, south of Kalgoorlie.