

CASCADE RESOURCES LTD

ENVIABLE STARTING POSITION FOR WA GOLD EXPLORER

This company has worked to amass over 14,000ha of land in the gold-rich Goldfields region of Western Australia and intends to start mining as soon as possible. NGAIRE McDIARMID reports

The gold explorer is poised in an enviable starting position.

It has put together holdings of 99 tenements across 14,409ha in the Goldfields region and has six projects with a combined JORC resource totalling 120,000 ounces of gold.

Cascade Resources is champing at the bit to start putting runs on the board.

The company has 24 exploration targets it wants to drill in the first two years of listing and a project just 35km from the mining centre of Kalgoorlie-Boulder that it intends to fast-track into production.

Cascade's first round of seed funding in mid-2011 was heavily oversubscribed and raised \$450,000.

The company was finalising its second round of seed funding at the time of going to press and was aiming for an IPO in mid-April.

It intends to issue shares at A20c to raise \$6 million, of which 70% will be put straight into its planned drilling campaign.

Cascade executive director Andrew Sparke explained the company's three-pronged strategy.

"Our key message is about resources growth; regional consolidation; and fast-tracking into production," he said.

"We want to leverage off the Boards extensive experience and track record within the region. We believe that we have unique regional insights that have come from years of living and working within the goldfields region".

"We see investors of today are really looking for companies that have cash flow and are generating profits and we understand the markets are quite tough for junior explorers".

"We know we need to get into production to survive and add value for our shareholders, so that's a real focus for us."

Managing director Matthew Sullivan was involved in the discoveries of the multi-million ounce gold mines Kanowna Belle and East Kundana in the Eastern Goldfields of Western Australia.

Together with fellow geologist and non-executive director Shaun Richardson, who has had extensive experience developing mines both in the Goldfields and overseas, he worked to put together a package of land for Cascade that had been underexplored.

"We've looked at areas in the Eastern Goldfields that we think have got some pretty serious potential and for whatever reason, have been really overlooked in the last 20 years – and have a red hot go," Sullivan said.

Cascade's two front-runner projects are Taurus, 35km east of Kalgoorlie, and Mt Stirling, 40km north-west of Leonora.

Cascade's Mt Stirling project is expected to be the first into production, while the company believes Taurus, will become its flagship project.

Taurus has a JORC Inferred resource of 1.54 million tonnes at 1.24gpt for 61,242oz of gold.

High grade intersections include 2m at 146gpt, 3m at 115gpt and 9m at 43gpt.

Sullivan said Taurus had amazing potential and its current vendors, who would retain the alluvial rights, were uncovering quartz veins with visible pieces of gold just below surface.

"We've got this amazing situation," Sullivan said.

"We've got the database from previous drilling and on top of that, every day there's a handful of guys who go to work with their front end loader and they uncover more gold every day and in areas where there's been no previous drilling."

Sullivan said the Taurus resource had unusual characteristics due to the coarse nature of the gold being found.

"We strongly suspect previous drilling has understated the grades because the gold is so coarse, it's easy to miss with regular RC drilling," he said.

"We're going to have to use bigger diameter holes and do a combination of drilling and bulk assay work to better determine what the grade actually is.

"We've got holes with extremely high grades and its quite obvious that this area is going to become well-known for extremely coarse gold.

"It also means that when you get to the other end it makes the processing easier."

In the northern Goldfields, Mt Stirling has a current JORC Inferred resource of 259,750 tonnes at 2.44gpt for 20,379oz.

Close by is Cascade's Mt Stirling Well project has an exploration target of around 1Moz.

Sullivan said the resource at Mt Stirling was open to the east and west and down dip with intersections of up to 52gpt.

"We think there could be a 40m deep open pit there and depending on how infill drilling and cash flow modelling goes, it's going to be healthy one way or the other," he said.

Sparke said Sullivan and Richardson really understood the geology of the region and the company planned to build on its holdings within the goldfields region once listed.

"This region hosts some brilliant deposits including Sons of Gwalia 7.1Moz, Tower Hill with 1.5Moz and Tarmoola with 1Moz" Sparke said.

"We consider this tiger country. There have been some really big deposits found here over the years. We've tried to consolidate ground in this region that we thought had similar geological characteristics to these deposits and had been relatively underexplored during the last 20 years."

He said Mt Stirling Well lent itself to near term production which could help fund the company's aggressive exploration program, and help to keep the company's capital structure tight.

To date, just over 4,000 drill holes have been put into Cascade's 14,409ha, with an average depth of 40m.

Sullivan said the company was at a great starting point.

"There are clearly going to be other areas in there," Sullivan said.

"We've done a pretty extensive targeting exercise so on listing, we intend to drill 24 top priority targets. Our targets are in areas that have a small resource open in most directions or an area where there's been some drilling we feel could be extended to generate a resource.

"We've got one project where the previous owners have produced tonnes of gold just in nuggets".

"There are some amazing areas and Shaun and I spent quite a bit of time targeting these areas on geological grounds using publicly available information."

Cascade has been in discussions with a drilling company to bring them in as a partner to assist with the planned aggressive exploration program.

Aside from already having a JORC resource, 24 exploration targets and a fast-track production plan, Sparke said another advantage Cascade had over greenfields explorers was that Cascade held brownfields sites, with both proven gold and upside potential.

"We've got a lot of drill holes with fantastic intersections, we've got 24 high priority targets, a JORC resources and exploration upside." Sparke said.

"It's a region that has had more than 100 years of gold mining history and therefore provides us with access to gold mining infrastructure. There are treatment plants, bitumen roads, access to a knowledgeable workforce and plenty of options for us that will allow us to get into production a lot quicker".

"We have quite a bullish view on where gold's going to go, so we'd like to get Cascade on the board as quickly as possible."