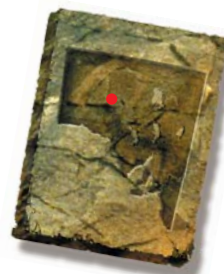


## Challenger — a new gold mine for SA



On 24 September, Dominion Mining Ltd, in a joint statement with the Minister for Minerals and Energy, and the Minister Assisting the Deputy Premier, Wayne Matthew, announced that it would proceed with development of the Challenger gold project, where a resource of 500 000 oz (~15.5 t) has been defined. The company has reached the final stages of obtaining a mining lease to carry out the planned open cut mine on Mobella Station, ~150 km northwest of Tarcoola.

The announcement follows completion of a bankable feasibility study confirming the viability of the project. It is expected to lead to construction and development of SA's first producing gold mine outside of the Olympic Dam operation and the first commercial mine development in the Gawler Craton.

The project will comprise a pit with a surface area of ~10 ha and planned depth of ~130 m producing ~50 000 oz/year of gold. Approximately 600 000 t of ore and ~3.5 million bank cubic metres of waste rock will be mined during the current planned pit life of two years.

Minister Matthew acknowledged that the decision by Dominion Mining to go ahead with the Challenger Gold Mine is fantastic news for South Australians. Not only will this new mine create up to 70 direct new jobs, it will concentrate attention and resources on the promising Gawler Craton geological province, and possibly lead to development of other mining operations in the region.

Dominion's managing director Peter Alexander said the project was a turning point for the company and the SA mining industry. It represents the first commercial outcome of Dominion's exploration efforts in this region since the early 1990s and the first fruits of the SA Government's pioneering exploration initiative in the Gawler Craton. Dominion was one of the first



*Typical landscape of the Challenger project region. (Photo 48181)*

respondents to the South Australian Exploration Initiative (SAEI) and has spent about \$20 million on exploration with its former partner Resolute Resources Ltd.

The first gold production from Challenger is targeted for the second half of 2002. In its initial 2-year stage, the \$17.1 million Challenger development will consist of an open-cut mining operation to extract a recoverable gold reserve of 577 964 t grading 5.96 g/t for 105 060 oz. The feasibility study for the first stage at Challenger estimated cash-operating costs of \$278/oz. The company then plans to assess the options for the 380 000 oz underground resource. Detailed assessment of the deep extension of the Challenger orebody is expected to enable a seamless transition to underground operations.

The Challenger deposit was discovered by Dominion Gold Operations Pty Ltd during calcrete geochemical sampling in 1995. Detailed drilling completed in 1998 led to delineation of the deposit. In December 2000, Dominion moved to 100% ownership of the project (by acquiring Resolute Resources Ltd's 50% of the project), and immediately commenced a detailed feasibility study to re-evaluate a small open-cut project, as a precursor to underground mining.

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*Near-surface gold mineralisation at Challenger. (Photo 48182)*