

# Classic Minerals Limited: Quarterly Activities Report

30.10.2022 | [ABN Newswire](#)

Perth, Australia - [Classic Minerals Ltd.](#) (ASX:CLZ) (FRA:217) (OTCMKTS:CSMRF) made good progress at Kat Gap during the quarter as it progresses to a gold producer.

Highlights of the quarter include:

- The Company received from DMIRS formal approvals for its Project Management Plan paving the way for Mining Operations to commence at Kat Gap.
- The Company entered into a binding terms sheet with Goldvalley Brown Stone Pty Ltd to provide \$10 million in non-recourse funding.
- Infill RC drilling has returned high grade gold results north of the cross cutting Proterozoic dyke.
- Pilot run of the Gekko gravity gold treatment plant outperforms expectations.
- IGO carried out only minor desktop work on the Fraser Range Nickel project.

## Kat Gap Mining Operations Approval

Classic has received formal approval of its Project Management Plan at its 100% owned Kat Gap Gold Project.

This approval clears Classic of the key regulatory requirements for advancement of the Project and the Company is continuing to work with DMIRS and other agencies to secure the necessary remaining approvals required to commence on-site processing operations. The Classic team continues to investigate the mining schedule to accommodate any potential resource increase and production increases.

Recent work has included a major infill drilling program to facilitate final pit design work, processing plant layout, TSF design and Metallurgical gold recoveries to update project modelling. Onsite development is well advanced with clearing completed for major infrastructure ahead of PMP approval including mine administration offices, workshop areas, laydown yards, main access roads, camp site, mine construction and all surface development.

Applications for related Works Approval regarding the processing facility and TSF licencing (with the Department of Water and Environmental Regulation (DWER) for approval pursuant to environmental legislation and regulations) have also been submitted and are pending departmental approvals. The processing submission includes installation and operations of a gold circuit, gold room, product sampling, dewatering, crushing circuit Gekko gravity circuit, tailings storage facility, fuel systems, processing control systems and high voltage power among others. Remaining required approvals to deliver the processing facility and remaining infrastructure are expected in November 2022.

## Kat Gap Project Funding

Goldvalley has agreed to provide \$10 million in non-recourse funding for the extraction and processing of ore in sequential parcels of 100,000 tonnes, with the revenues generated from processing being available to fund each following parcel. The initial funding will be provided over a 12-month period and the orebody will be mined under this arrangement until a production cap of 500,000 tonnes (with a minimum average grade of 2.85g/t) has been mined and processed. The funding will be provided by Goldvalley, and sourced from its other business operations, in a manageable and orderly manner.

Classic's due diligence and detailed discussions with Goldvalley have confirmed that this arrangement will be one where both parties can meet their commitments. The Board considers that Goldvalley, being part of the Gold Valley group of companies which has a number of successful businesses, has the demonstrated capacity to meet its funding obligations. Classic notes that the funding is unsecured and non-recourse to the extent that Goldvalley's funding can only be repaid out of revenues derived from processing Kat Gap ore, while the profits will be shared with Classic receiving 70% of the profits.

Classic anticipates that the mining and processing operations contemplated under the Terms Sheet will be completed by mid to late 2024.

#### Kat Gap Infill Drilling Program

During the quarter, Classic commenced an extensive program of infill RC drilling. The drilling program, consisting of 109 holes for 7,110m, is a direct result from the recent bulk sample mining operation completed in early May.

Classic drilled 67 holes for 3,975m (FKGRC390 - FKGRC456) at Kat Gap during the quarter as part of the 109-hole infill drilling campaign.

The need for closer spaced infill drilling has eventuated from the recent bulk sample mining operation.

The pit was centred on an area of the resource block model, drilled on a 10m x 10m and 10m x 5m drill pattern, which came closest to the surface. The ore zone exposed during the bulk sample mining showed strong evidence of pinching and swelling of the main quartz veins over relatively short wavelengths of around 10-15m. To gain a higher level of confidence in the overall status of the current resource block model and to ensure adequate intersection of the higher-grade components of the gold ore zone, drilling needs to be conducted on a minimum of 10m spaced sections and 10m spaced holes on the section. This spacing will permit an upgrade from the current inferred status to indicated, needed for final pit design work. The infill program will also dramatically reduce the number of grade control RC holes required in pit once operations are underway.

The infill holes have been drilled on a 10m x 10m and 10m x 5m grid spacings to hit further high-grade pinch and swell quartz veins which were observed during the mining of the bulk sample pit. The results have confirmed observations made while the bulk sample pit was mined and show that 10m x 10m and 10m x 5m drill spacing is adequate to hit these high-grade pinch and swell quartz zones. The total 109-hole infill RC drilling program mostly covers an area 100m to 300m along strike to the north of the Proterozoic dyke and 200m north along strike from the recent bulk sample mining operation.

Most of the infill drilling consist of relatively shallow holes down to depths of 40-80m. However deeper holes down to 100-160m will also be drilled early next quarter to extend the known gold mineralisation to greater depths down dip. This work will hopefully add additional mineable ounces and a potentially larger final open pit design.

Better results from the infill drilling include:

- 3m @ 13.23g/t Au from 32m including 1m @ 17.00g/t Au from 34m in FKGRC391.
- 5m @ 7.36g/t Au from 42m including 2m @ 14.20g/t Au from 42m in FKGRC397.
- 2m @ 17.20g/t Au from 53m including 1m @ 19.90g/t Au from 53m in FKGRC402
- 2m @ 21.07g/t Au from 33m in FKGRC407.
- 6m @ 5.55g/t Au from 49m including 1m @ 18.10g/t Au from 50m in FKGRC412.
- 12m @ 9.60g/t Au from 28m including 4m @ 25.34g/t Au from 36m in FKGRC416.
- 10m @ 15.34g/t Au from 29m including 2m @ 43.00g/t Au from 31m in FKGRC418.
- 10m @ 16.19g/t Au from 37m including 1m @ 45.00g/t Au from 46m in FKGRC422.
- 6m @ 4.08g/t Au from 48m including 1m @ 11.50g/t Au from 52m in FKGRC426.
- 2m @ 14.86g/t Au from 29m including 1m @ 25.50g/t Au from 29m in FKGRC436.
- 6m @ 3.10g/t Au from 60m including 1m @ 14.10g/t Au from 60m in FKGRC455.

\*To view the full Quarterly Report, please visit:  
<https://abnnewswire.net/lnk/8IR7AJ78>

About Classic Minerals Limited:

[Classic Minerals Ltd.](#) (ASX:CLZ) is an exploration and development company focused on gold deposits in Western Australia's famous Goldfields region. In March 2017, Classic acquired the Forrestania Gold Project, with seven tenements stretching across 450km<sup>2</sup>. Strategically located in a very prospective region, the FGP is an underexplored package surrounded by multimillion ounce deposits such as Bounty (2Moz) and Yilgarn Star (1.5Moz).

Source:

[Classic Minerals Ltd.](#)

Contact:

[Classic Minerals Ltd.](#) T: +61-8-6305-0221 E: [contact@classicminerals.com.au](mailto:contact@classicminerals.com.au) WWW:  
[www.classicminerals.com.au](http://www.classicminerals.com.au)

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