De Grey Mining boosts gold bounty at Pilbara project to almost 1.4 million ounces

De Grey Mining Limited (ASX:DEG) has boosted its golden bounty at the Pilbara Gold Project in WA by 15%, or 183,800 ounces, to almost 1.4 million ounces.

Importantly, the new estimate of 27.25 million tonnes at 1.6 g/t gold includes a 44% increase in indicated resources to 491,800 ounces and the combined measured and indicated resource is up 25% to 739,200 ounces.

This will provide for the higher conversion of mineral resource to open pit ore reserves as part of the Open Pit Pre-Feasibility Study (PFS) which is underway.

READ: De Grey Mining excavating conglomerate gold horizon in Pilbara Gold Rush territory

This increase also indicates that a more significant mine life may be defined in the PFS, than previously reported in the 2017 scoping study.

The majority of the new resources, including increases in the measured and indicated categories, fall within the top 100 metres from surface.

There are 391,000 more shallow ounces than in the scoping study and these will be evaluated in the PFS.

De Grey is confident of adding further resources from the known deposits, which remain open, and the numerous untested regional targets.

New drilling underway

In this regard, a new reverse circulation (RC) drilling program is underway at the Farno McMahon joint venture tenement.

Around 900 metres will be drilled at White Quartz Hill prospect targeting large outcropping quartz veins associated with historical prospector activity over a strike length of around 200 metres.

This prospect is only 9 kilometres southeast of the Withnell trend.
Prospects on the Farno McMahon joint venture close to the Withnell trend.

At the Clarke prospect around 700 metres will then be drilled targeting high-grade gold rock samples from outcropping quartz veins over a strike length of around 150 metres.

Both drilling programs are expected to be completed this month with De Grey also planning geological mapping of various prospects.

De Grey has a four-year option to earn 75% of the E47/2502 tenement from Farno McMahon Pty Ltd.

READ: De Grey Mining finds high-grade gold lodes beneath Withnell open pit

The updated Pilbara estimate, which includes all drilling up to the end of July 2018, incorporates 11.02 million tonnes at 1.5 g/t for 529,900 ounces in oxide mineralisation and 16.23 million tonnes at 1.7 g/t in fresh material.

Prospects in De Grey’s Pilbara Gold Project, southeast of Port Hedland.

The focus of recent drilling has been on increasing the geological confidence and continuity of mineralisation within the scoping study pit optimisation shells and immediate along strike extensions.

De Grey said the drilling programs had been highly successful in these regards.

READ: De Grey Mining expects upgrade to 1.2 million ounce resource at Pilbara Gold Project

The shallow nature of the resources is an underlying theme of all drilling across the Pilbara project.

All deposits discovered to date show gold mineralisation from surface and
constrained by drilling.

They remain open along strike and at depth beyond the current limits of drilling.

In all circumstances, except for Withnell and Wingina, the deposits have rarely been targeted beyond 100 metres depth.

Deeper drilling will form an integral component of future drilling campaigns as will further drilling along strike.

De Grey strongly believes the project has the potential to host multi-million-ounce resources.

De Grey will hold a general meeting this Friday at 11am local time at Perth's QV1 Conference Centre at 250 St Georges Terrace.