

Goldstar moving ahead of schedule

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GOLDSTAR Resources has started site works for the bulk sampling program for the Eureka Dyke Bulge prospect at Walhalla in Victoria, after getting regulatory approval for the work plan three months ahead of schedule.

Goldstar's schedule sees the bulk sampling program start early in the September quarter. However, now that the State Government has given Goldstar the green light, the Victorian gold explorer will be able to fast-track the program once the bulk sampling scoping study is completed.

The mining, sampling and metallurgical work for the scoping study is almost complete, with costing for the necessary machinery being finalised.

The bulk sampling program will be a major milestone for Goldstar because it will enable the company to increase its confidence in the estimated gold grade at Eureka ahead of production, potentially in 2007.

The historic Walhalla goldfield, about 200km east of Melbourne, has parallels with the more famous Ballarat and Bendigo goldfields to Melbourne's west in terms of the nuggety nature of the gold mineralisation.

This has made the estimation of a traditional JORC-compliant resource difficult for Goldstar, so far coming up with a JORC-compliant geological model for the Eureka Dyke Bulge of 430,000 tonnes of high-grade quartz reef plus 900,000t of mineralised dyke and sediments.

At this stage, Goldstar believes the overall potential of the Walhalla goldfield is more than 3.5 million ounces, though a new estimate of Walhalla's exploration potential is expected in the second half of 2006.

Shares in Goldstar were unchanged at 48c in morning trade. The stock hit a high of 52c in early March and the company is capitalised at just over \$A50 million.

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Goldstar drilling at its
Walhalla gold project in
Victoria.