

Goldstar shines again in Walhalla

Michael Quinn

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INVESTORS and traders are backing the interpretive skills of the team at Goldstar Resources, who are claiming the Tubal Cain prospect at Walhalla in Victoria contains 1.1 million tonnes of potentially high-grade quartz reefs to 300m depth.

Shares in Goldstar jumped nearly 20% in early morning trading today on the claim, which was made following analysis of five recent diamond drill holes and a further four holes drilled by Rio Tinto in the 1980s.

The average reef grade "is likely to be in the range of 10-25 grams per tonne, once minimum mining widths and dilution factors are applied", while the drilling also indicated that the prospective structure goes to a vertical depth of 600m and remains open at depth.

"The Tubal Cain dyke is now confirmed as extending for approximately 200m in strike length, 180m wide and 600m deep," the Perth-based junior reported.

Goldstar said the geological model uses conservative assumptions, including a significant discount in tonnage in the upper 150m, on the basis that historic mining may have removed some of the potentially mineralised material.

Historic mining did not generally extend below the water level at Walhalla (around 100m vertical depth), according to Goldstar.

Drilling is to continue, followed by bulk sampling.

Meantime, further to the south in the Walhalla field at Eureka, Goldstar has budgeted \$A5.2 million to bulk sample the Eureka prospect.

Earlier this year, the company raised around \$8 million via two equity issues priced at 40c per share. Thai gold miner Kingsgate Consolidated held 19.6% of Goldstar following the raisings, while more recent buying by institutional investor Zurich Trust has seen Z Nominees build up an 18.6% stake.

Shares in Goldstar were up 16.3% at 53.5c in late morning trade.

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Goldstar drilling at its Walhalla gold project in Victoria.