

Gold Fields in Australian JV

By Sherilee Bridge, I-Net Bridge

Gold Fields has entered into a gold exploration joint venture with Australian multi-commodity explorer Conquest Mining.

Australian Stock Exchange-listed Conquest Mining said that it had entered into a joint venture agreement with Gold Fields Australasia, a wholly-owned subsidiary of Gold Fields.

In terms of the joint venture agreement, Gold Fields has the opportunity to earn a 51% interest in Conquest's Central Queensland landholdings by completing 150,000 metres of drilling within three years.

Gold Fields is obliged to expend at least A\$5 million in the first 12 months of the joint venture agreement.

The joint venture's exploration area excludes an area of about seven kilometers squared, where Conquest has started its Mt Carlton project (including the outstanding Silver Hill deposit) and is presently undertaking pre-feasibility work with a view to developing an open pit mining operation.

Ed Baltis, regional manager of Gold Fields Australasia, said the joint venture represented Gold Fields with the largest greenfields exploration commitment worldwide.

Gold Fields has operating mines in South Africa, Australia, Ghana, Venezuela and a developing project in Peru, as well as a fully-funded global exploration portfolio.

The company, which produces over 4 million ounces of gold annually, currently holds in excess of 10% of Conquest Mining, making it the Australian-listed company's single largest shareholder.

Conquest intends to focus on the development of its Mt Carlton project while the initial earn-in phase is underway.

Upon satisfying predetermined drill length based criteria and minimum exploration spend, Gold Fields Australasia has an option to increase its interest in the joint venture exploration area by acquiring a further 24% (increasing its total interest to 75%) and will also have an option to purchase a 50% interest in the Mt Carlton project.

Conquest's other exploration projects - the Crush Creek gold joint venture with Basin Gold, the Collinsville gold/copper project and the Leonora gold joint with Hannans Reward - are all in Australia.

"We believe the complex and extensive nature of the Mt Carlton geological systems suggest this may be a major new mining province," said Conquest's exploration manager Peter Rea.

Four deposits have been discovered to date with total resources of 12.6 million tonnes at 2.11 g/t gold, 5.2 g/t silver, 0.3% copper.

Rea said it would cost Conquest a minimum of A\$30 million if it had to complete the drilling programme on its own.

At 13:38, shares in Gold Fields were trading 0.38 firmer at 119.20 rand on the JSE.