

Evolution's enthusiasm growing at Cue

EVOLUTION Mining believes it could be on the verge of a major discovery at the Cue joint venture with Musgrave Minerals in Western Australia.



Exploration / Development > Discovery

Evolution executive chairman Jake Klein encouraged analysts on a conference call this week to monitor the progress at Cue after exciting results were reported last week.

Comments

Drilling at the West Island prospect identified more thick zones of regolith mineralisation over more than 1.6km of strike.

Share

Kristie Batten



New aircore results included 68m at 1.49 grams per tonne gold from 110m to end of hole, including 12m at 4.41gpt, and 53m at 2.01gpt gold from 108 to EOH, including 27m at 3.63gpt gold.

The mineralisation is hosted within a differentiated dolerite unit, similar to that hosting the high-grade 2 million ounce Great Fingall and Golden Crown deposits, 25km to the north of West Island.

Evolution VP discovery Glen Masterman said the latest results reinforced Evolution's belief in the quality of the project.

"The current diamond drilling program is aiming to delineate the fresh rock source of mineralisation in the bedrock," he said.

The company has received assays for two of seven diamond holes with a best result of 8m at 3gpt gold, including just under 1m at 20gpt.

"Although narrow, there is evidence of high-grade, which is an important ingredient that we want to see more of," Masterman said.

"We are now well on our way to completing the 75% earn-in on the Cue JV and are developing plans with our partner Musgrave to accelerate the diamond drilling program over the next several months."

Evolution can earn 75% of the JV area by sole funding A\$18 million on exploration over five years, under the terms of an agreement signed in late 2019.

The mid-tier gold producer had spent \$4.6 million as of June and committed to spend \$5 million in FY22.

Evolution produces about 700,000 ounces of gold per annum from five mines in Australia and Canada.

It has long stated its ideal portfolio size is 6-8 assets.

"We continue to look at things. I mean, we hope that Cue turns into the sixth operating asset, but it's some way away from that," Klein said.

"Glen's discovery strategy was put in place some time ago and this is a result of number of years of delivery on that strategy.

"Six to eight assets is an ideal number from our perspective, but if we had five operating assets producing more gold that's a good outcome for us."

Evolution shares were down 0.3% this morning to \$3.75, valuing the company at \$6.8 billion. Musgrave shares, which have traded at five-month highs this week, were down 1.3% to 38c.



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