



# Otago South Gold Project – Prospecting Permits Approved

ASX Release | 18 October 2016



## HIGHLIGHTS

- The 2 Prospecting Permit applications lodged by NAE in August '16 over the Otago South Gold Project in New Zealand covering a total area of 876km<sup>2</sup> were approved yesterday by New Zealand Petroleum & Minerals
- The permits were approved in under two months, a much shorter timeframe than expected. This clearly demonstrates that the NZ Government is supportive of exploration and mining
- Recent research has identified a 'mirror image' in the south of the Otago Schist belt within NAE's permits of the geology present in the north of the schist belt some 60km away which hosts the (>10Moz Au) Macraes gold mine
- NAE is now in an exciting position of being the first to explore the South Otago Schist belt for Macraes style gold deposits within these permits
- The Initial exploration program will commence in mid-November with Dr Doug MacKenzie from University of Otago contracted to undertake fieldwork focused on soil sampling and geological mapping to quickly and cost effectively identify drill targets
- The initial exploration program has an expected cost of ~NZ\$150,000 which is fully funded

***NAE Managing Director, Gary Fietz, commented: "Yesterdays approval by NZ Petroleum & Minerals of our Otago Gold Project Prospecting Permit applications was well ahead of schedule and gives NAE the opportunity of being the first modern explorers of these exciting gold targets in the south of the Otago Schist belt. We are delighted to be working closely with the researchers from the University of Otago to advance the exploration program".***

# Otago South Gold Project

## PROSPECTING PERMITS

New Age Exploration Limited (“NAE”) received confirmation yesterday from New Zealand Petroleum & Minerals (“NZP&M”) that its 2 Prospecting Permit applications lodged on 18 August 2016 over the Otago South Gold Project in New Zealand have been approved.

The Prospecting Permits were approved in under two months, a much shorter timeframe than expected. This clearly demonstrates that the NZ Government is supportive of exploration and mining.

The two NAE Prospecting Permits are;

- Mahinerangi – Prospecting Permit number 60254 covering an area 417.5km<sup>2</sup>
- Teviot - Prospecting Permit number 60255 covering an area 458.5km<sup>2</sup>

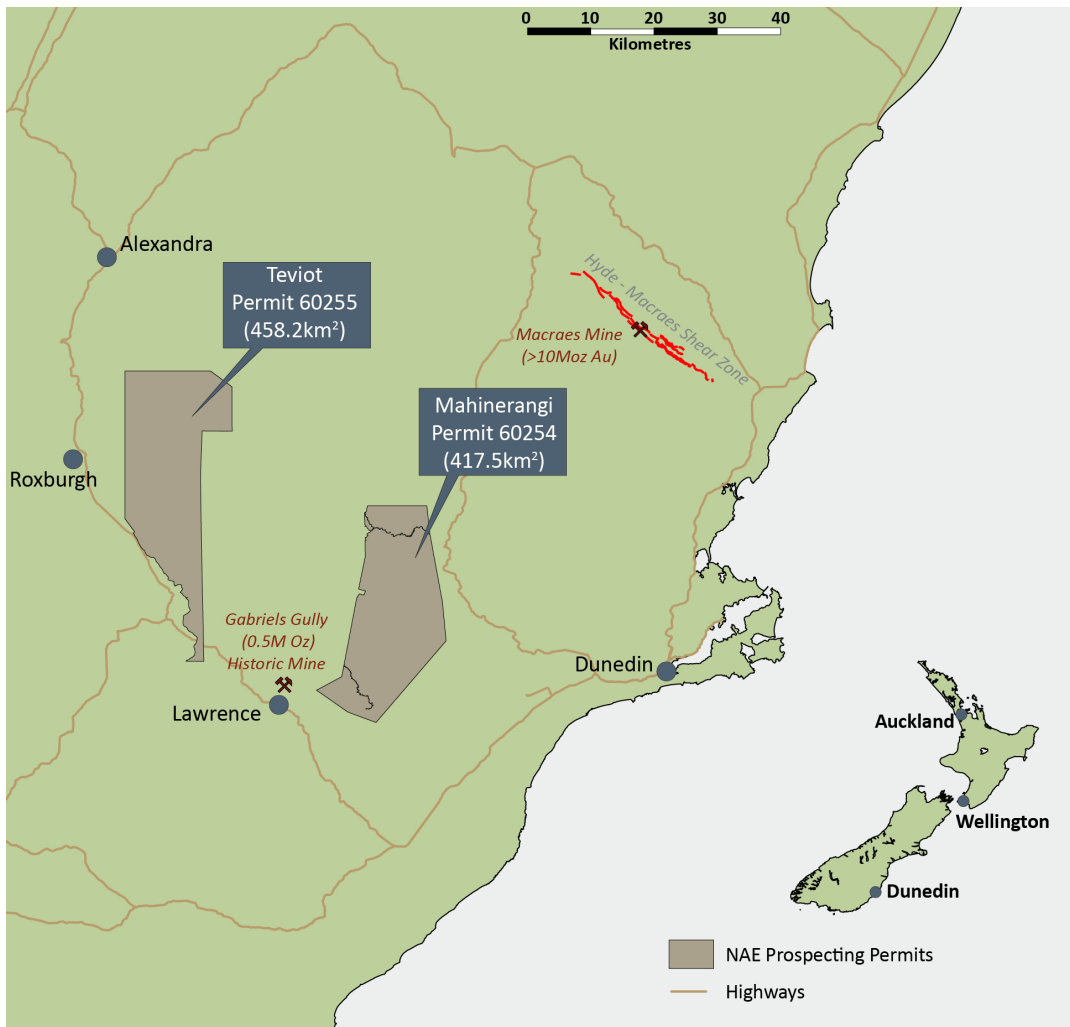


Figure 1 Location of NAE Otago South Gold Project Prospecting Permits

Each of the Prospecting Permits have been granted for an initial period of 2 years from 17 October 2016. The Prospecting Permits allow low impact prospecting activities to be undertaken such as; geological mapping, soil and rock chip sampling and aerial surveys. Exploration Permits are required prior to drilling being undertaken which Prospecting Permit holders have the exclusive right to apply for.

## GOLD EXPLORATION TARGETS

The Prospecting Permits over NAE's Otago South Gold Project granted yesterday contain gold exploration targets based on recent research by Dr. Doug MacKenzie and Professor Dave Craw from University of Otago. This research has identified a geological 'mirror image' in the southwest of the Otago Schist belt to that present in the northeast of the schist belt (60km away) where the Macraes Gold Mine (>10Moz Au) is located within the mineralised Hyde-Macraes Shear Zone.

NZ's largest alluvial gold deposit, Gabriels Gully (>0.5Moz Au) is located ~10km to the south of NAE applications. Some of this gold is coarse and may have come from undiscovered shear zone hosted deposits upstream in the south of the Otago Schist belt such as NAE's targets.

A description of the geology and gold exploration targets with accompanying figures is contained in the 18 August 2016 NAE announcement:

<http://nae.net.au/wp-content/uploads/2016/08/Permit-Applications-New-Zealand-Gold-Targets-Final.pdf>

## PLANNED WORK PROGRAM

The Initial exploration program will commence in mid-November with Dr Doug MacKenzie from University of Otago contracted to undertake fieldwork. Fieldwork will focus on geological mapping and soil sampling for arsenic (a pathfinder mineral for gold within the Otago Schist) using a portable hand-held XRF device. Using these methods the large permit areas can be quickly and cost effectively screened to identify drilling targets over areas with anomalous levels of arsenic (via portable XRF) and gold (via laboratory analysis) and mapped shear zones.

The initial work program has an expected cost of ~NZ\$150,000 which is fully funded.

# COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Dr Doug MacKenzie, who is a Senior Research Fellow at the University of Otago, Geology Department and is a Member and Chartered Professional Geologist of the Australasian Institute of Mining and Metallurgy. Dr MacKenzie has over 20 years research experience in the Otago Schist and related rocks with emphasis on relationships between structure, metamorphism and gold mineralization. Dr MacKenzie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr MacKenzie consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# FORWARD LOOKING STATEMENTS

This report contains "forward-looking information" that is based on the Company's expectations, estimates and forecasts as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, commodity prices and demand, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as "outlook", "anticipate", "project", "target", "likely", "believe", "estimate", "expect", "intend", "may", "would", "could", "should", "scheduled", "will", "plan", "forecast" and similar expressions. The forward looking information is not factual but rather represents only expectations, estimates and/or forecasts about the future and therefore need to be read bearing in mind the risks and uncertainties concerning future events generally.



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