

## **HILL 800 GOLD PROSPECT – DRILLING COMMENCES**

Minerals explorer **Carawine Resources Limited** (“Carawine” OR “the Company”) (ASX:CWX) has commenced diamond drilling at its Hill 800 gold prospect, marking a significant milestone for the Company and the first time drilling has been undertaken at the prospect in almost two decades.

The Hill 800 prospect is part of Carawine’s Jamieson gold and base metal exploration project in north eastern Victoria (Figure 7).

Carawine Managing Director, David Boyd, said the program is designed to establish the potential size and grade of gold mineralisation and lay the foundation for Carawine to take the project forward.

“For the first time the high-grade Hill 800 gold target will be drilled in the optimal orientation with diamond drill core, enabling us to better understand the controls and geometry of the mineralisation,” Mr Boyd said. “We look forward to keeping the market updated with drilling progress and results as they are received.”

This first phase drilling program comprises 20 holes for a total of about 3,000m, and will concentrate on confirming the interpreted model and orientation of gold mineralisation and exploring the system’s strike and depth extents. A significant Induced Polarisation (IP) anomaly down-plunge from shallow mineralisation and a down-hole electromagnetic (EM) conductor target beneath the system will also be tested (Figure 2; ASX announcement dated 12 February 2018).



**Figure 1: Diamond drill rig set up on-site at Hill 800.**

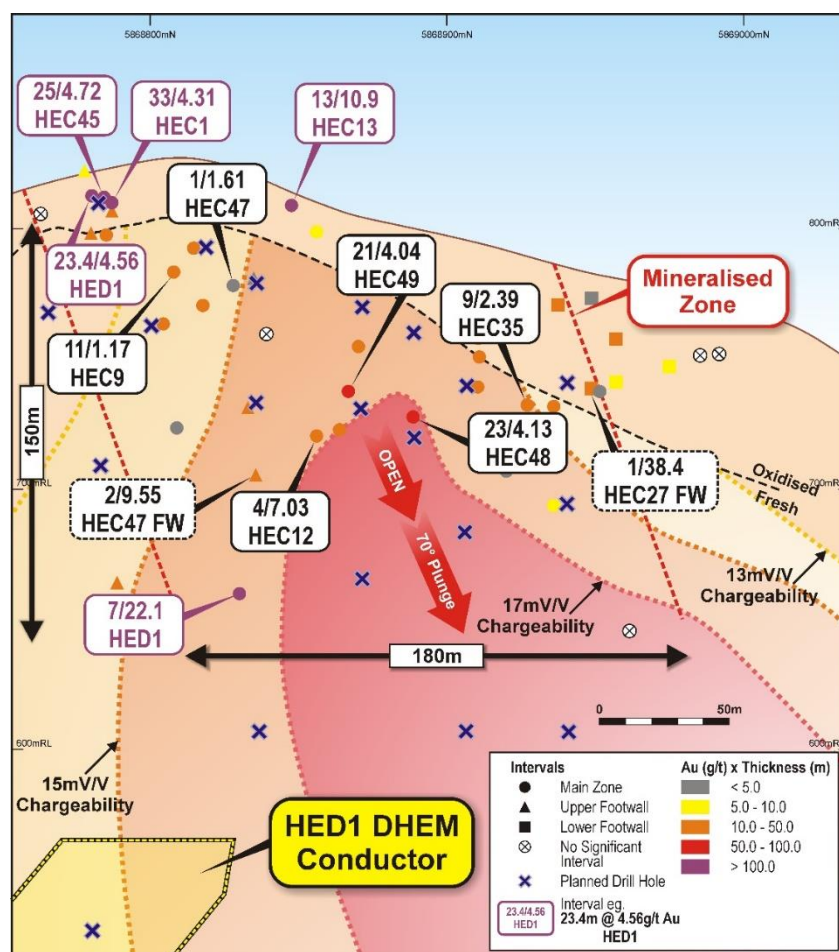
Hill 800 is a volcanic-hosted massive sulphide (VHMS) gold-copper system with many similarities in host rock, age and mineralisation style to the 1.5Moz Henty gold deposit in western Tasmania. Importantly, Henty initially had only 60,000oz of contained gold in resources prior to development and further discoveries.

Hill 800 was discovered in 1994 by previous explorers who identified a 1km-long NE-trending zone of alteration and gold anomalism along the northern edge of a ridge-line. Between 1996 and 1999, several phases of reverse circulation (RC) and a limited diamond drilling program followed, returning a number of significant, high-grade gold results (Figures 2 to 5).

Despite these excellent results, the effectiveness of the drilling was restricted by limited site preparation and the use of large truck-mounted drill rigs, leading to a number of oblique intersections, and several drill holes missing mineralisation.

Carawine's program, which will be the first at the prospect since 1999, will use small diamond drill rigs typical of those used for exploration and resource development in underground mines. Drill holes have been designed to intersect the mineralised zones from near-surface to about 150m down plunge, at a nominal 40m spacing along strike, and 40m to 80m down-plunge. Beneath this, a number of step-out holes will test for extensions of the mineralisation beyond about 200m depth. The drilling is expected to take place over eight weeks, with results to be released to the market as they are received.

The Company has engaged two drill rigs to complete the program, allowing for maximum flexibility in sequencing the holes, and more efficient and rapid completion of the program.



**Figure 2: Long section with existing intervals and planned drill hole intersections.**

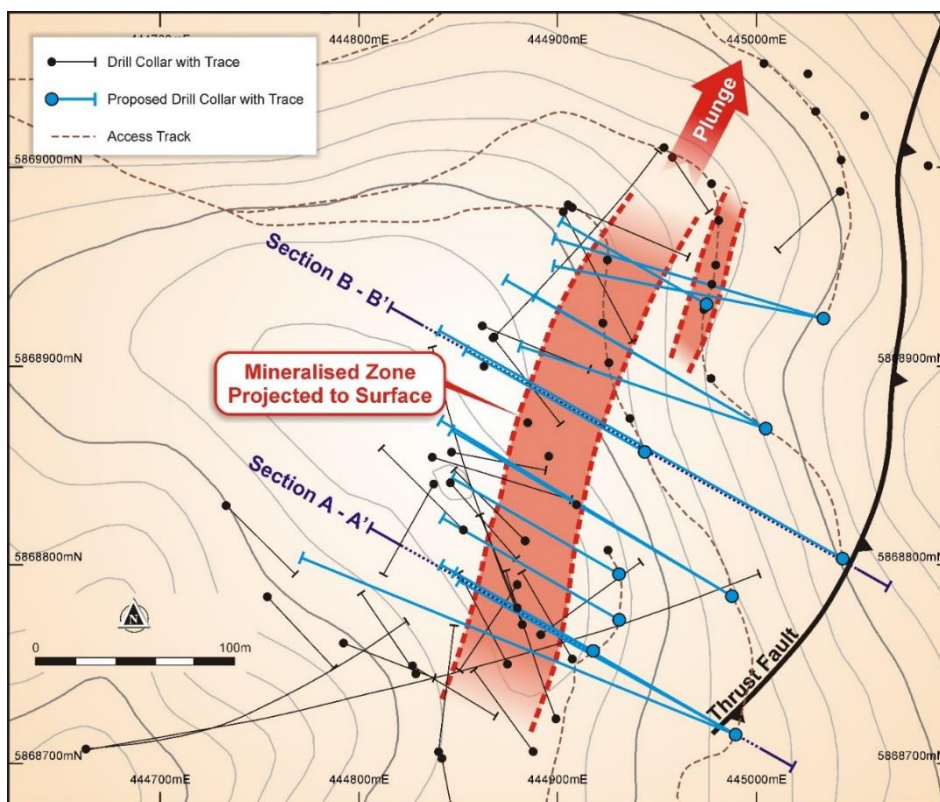


Figure 3: Drill collar plan (projected to surface).

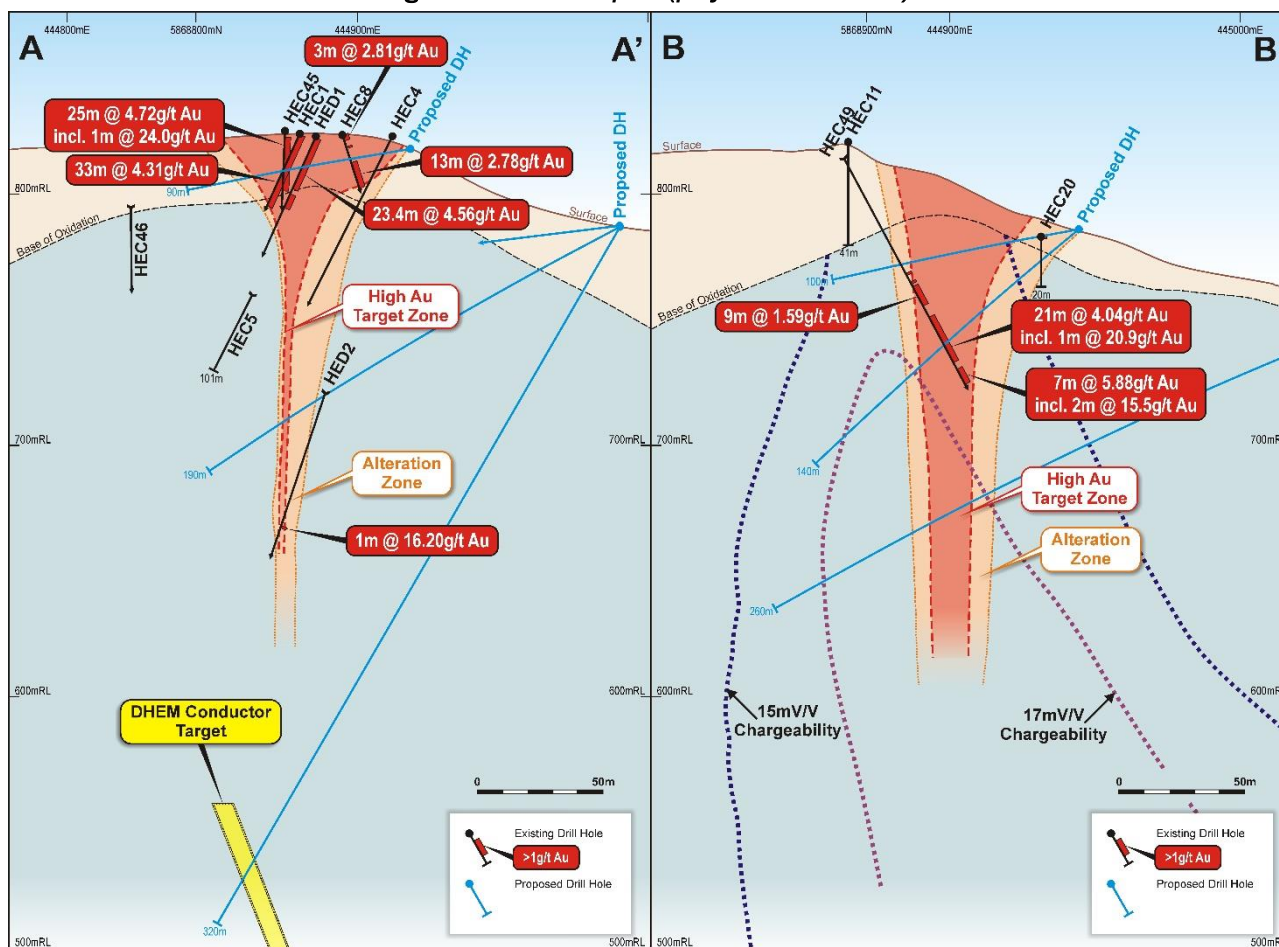
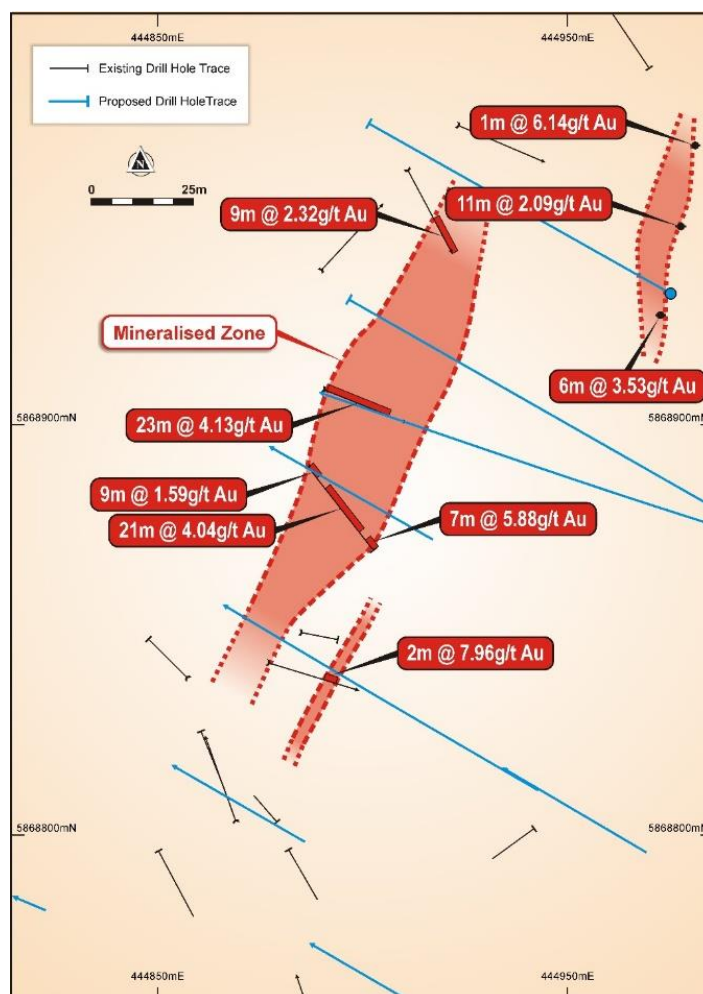


Figure 4: Cross sections showing existing and proposed drill holes with targeted mineralisation.



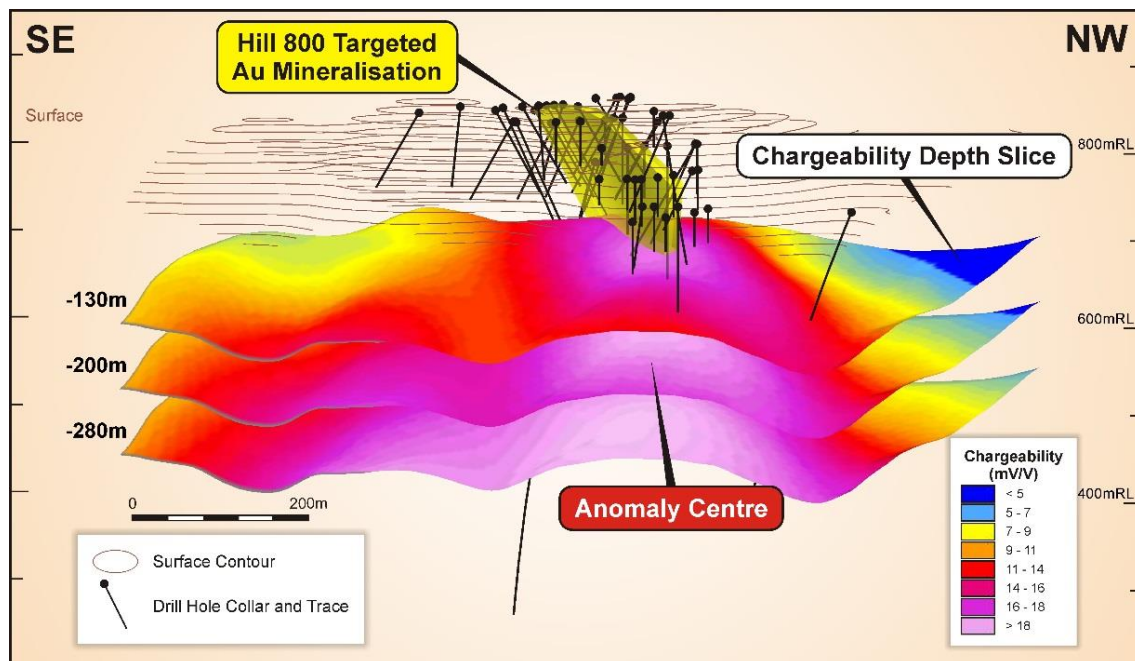
**Figure 5: Plan view at 740mRL (about 80m below surface) with existing and proposed drill holes.**

The drilling of diamond core in the current program will also provide samples for use in metallurgical studies to investigate processing methods to maximise gold recovery, and the potential for recovery of other metals. These studies will be the first conducted at the prospect.

Gold mineralisation at Hill 800 is associated with silica-sericite-pyrite alteration in intermediate volcanic rocks within the core of a well-defined alteration zonation. This mineralisation style is analogous to that seen in the footwall “feeder” zone of seafloor VHMS deposits. The orientation of the mineralised zone determined from previous drilling plunges approximately 70 degrees to the north, within a plane oriented at 30 degrees from True North.

On 12 February this year, Carawine released the results of a review it had undertaken on previously acquired geophysical survey data over the Jamieson Project. Test work conducted for the review determined that the mineralisation responds well to electrical geophysical techniques including IP and EM. The silica-sericite-pyrite alteration associated with gold mineralisation at Hill 800 was shown to be strongly (IP) chargeable.

A three-dimensional IP chargeability and resistivity inversion model was developed, showing the Hill 800 mineralisation presenting as a discrete ~17 mV/V, steeply plunging chargeable anomaly with an associated zone of low resistivity (Figure 2, Figure 6). The modelled IP anomaly parallels the axis of the mineralised zone as determined from existing drilling, extending beyond 250m below surface and well beyond the limit of current drilling. This down-plunge extension will be targeted during the current diamond drilling program.



**Figure 6: Hill 800 IP chargeability model depth slices (pink = high chargeability) with existing drilling, oblique view.**

Previous explorers also completed down-hole electromagnetic (DHEM) surveys of diamond holes HED1 to 3 at Hill 800. This data was remodelled as part of the review, confirming the location of a source conductor matching the observed data, located 250m below surface and to the southwest of the main Hill 800 mineralised zone, striking northeast and dipping steeply to the southeast (Figure 2). Signal strengths indicate the source is consistent with massive to semi-massive sulphide mineralisation. Given the historic nature of the DHEM data, Carawine plans to conduct a confirmatory survey to more accurately define and locate the conductor prior to targeting with a diamond hole drilled from one of the current sites (see ASX announcement dated 12 February 2018 for further details).

### **About the Project**

Carawine is earning a 100% interest in the Jamieson project, located on unrestricted crown land within a geological province known as the Mt Useful Slate Belt (Figure 7). The region was founded on gold mining in the 1850s and a number of gold mines have operated or are currently in production in the region, including the A1 Mine near Gaffney's Creek, and the Morning Star mine near Woods Point.

The project covers a "window" of Cambrian-aged volcanic rocks of similar age to the Mt Read Volcanics in western Tasmania, a world-class VHMS district. Apart from Hill 800, there are a number of other prospects within the project. The most advanced of these is Rhyolite Creek, located 5km to the south of Hill 800, discovered by previous explorers after targeting a linear magnetic anomaly in an area of surface gold-silver-base metal anomalism in surface geochemical samples. The discovery diamond core hole RCD001 intersected a zone of strong albite-chlorite-silica alteration and sulphide mineralisation, returning an interval of:

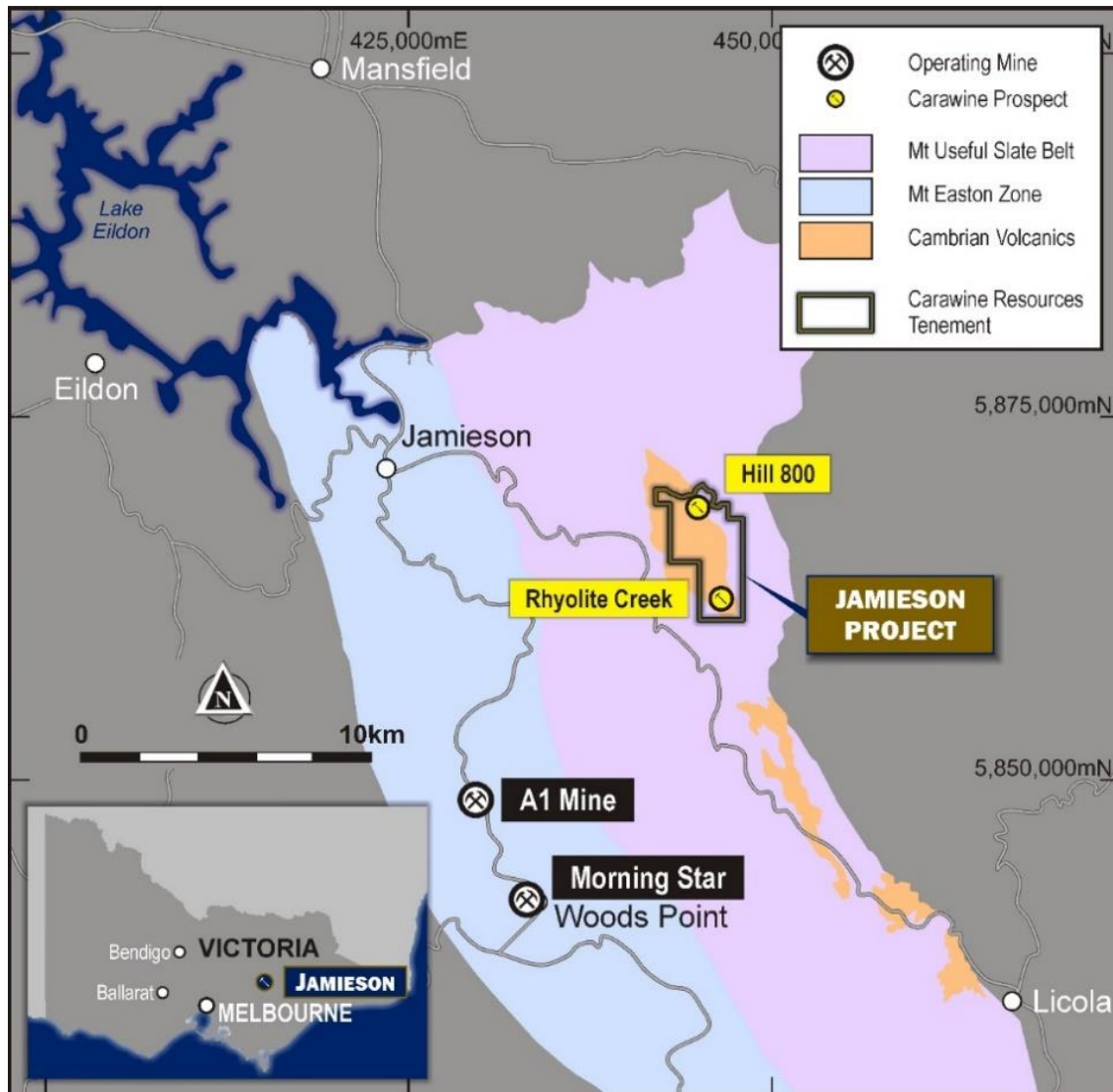
- 8m @ 3.7% Zn, 0.3% Pb, 0.1% Cu, 1.6g/t Au and 29g/t Ag from 220m including 1.4m @ 15.6% Zn, 1.5% Pb, 0.5% Cu, 7.4g/t Au and 113g/t Ag from 223m  
(see the Company's IPO Prospectus released on 12 December 2017 for details)

Zinc mineralisation was identified as being related to low-iron sphalerite and the footwall to this high-grade zone was reported as being strongly altered intermediate volcanics, with significantly elevated zinc values over 52m downhole. Carawine believes the high-grade zinc-gold-silver horizon intersected in RCD001 is potentially associated with a VHMS seafloor or sub-seafloor deposit, occurring at the contact

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of intermediate and felsic volcanic sequences, with wide zones of footwall alteration and anomalism. Additional holes drilled by previous explorers has intersected this position over a strike length of about 400m, remaining open along strike. Further details of Rhyolite Creek can be found in the Company's IPO Prospectus released on 12 December 2017.

The discovery to date of two VHMS-style systems on the tenement confirms the outstanding potential of the project. Typically, deposits of this style occur in clusters often defining significant mining camps. Gold-rich VHMS deposits are particularly attractive targets given their high-grade and polymetallic nature.



*Figure 7: Jamieson project location.*

**ENDS**

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## **COMPLIANCE STATEMENTS**

### **PREVIOUSLY REPORTED INFORMATION**

This announcement includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012). The information was extracted from the Company's previous ASX Announcements as follows:

- March 2018 Quarterly Report: "Quarterly Activities Report for the Period Ended 31 March 2018" 27 April 2018
- Xmas region cobalt-manganese: "New Cobalt Targets Identified in Eastern Pilbara" 26 March 2018
- Hill 800 prospect: "Large IP Anomaly at Hill 800 Gold Deposit" 12 February 2018
- Xmas prospect identified: "Significant Outcropping Cobalt-Manganese Anomaly Identified" 21 December, 2017
- Western Star DDIP results: "Significant IP Anomaly Identified Beneath Surface Copper Cobalt Mineralisation" 19 December, 2017
- Initial public offer Prospectus: "Carawine Resources Prospectus" 12 December, 2017

Copies of these are available from the ASX Announcements page of the Company's website: [www.carawine.com.au](http://www.carawine.com.au)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. The Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the relevant original market announcements.

### **FORWARD LOOKING AND CAUTIONARY STATEMENTS**

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "predict", "foresee", "proposed", "aim", "target", "opportunity", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

## **ABOUT CARAWINE RESOURCES**

Carawine Resources Limited is an exploration company whose primary focus is to explore for, and ultimately develop, economic gold, copper and base metal deposits within Australia. The Company has four gold, copper, cobalt and base metal projects, each targeting high-grade deposits in well-established mineralised provinces throughout Australia.

### **JAMIESON PROJECT (Au-Cu, Zn-Au-Ag)**

The Jamieson Project is located near the township of Jamieson in the central eastern Victorian Goldfields and comprises granted EL5523, covering an area of 34 km<sup>2</sup> and containing the Hill 800 gold and Rhyolite Creek zinc-gold-silver prospects. In June 2017, the Company entered into the Jamieson Agreement to earn an interest of 100% in the Jamieson Project.

Hill 800 was discovered by New Holland Mining NL (New Holland) in 1994, following sampling of outcropping gold-rich gossans, with drilling returning results with significant widths and high gold grades. The deposit is a volcanic-hosted massive sulphide (VHMS) gold-copper system with similar host rock, age and mineralisation style to the 1.5Moz Henty gold deposit in Western Tasmania. The Rhyolite Creek Prospect, located about 5km south of Hill 800, was discovered in 2008, with diamond drilling intersecting a zone of strong alteration and sulphide mineralisation returning high grade zinc, gold and silver from an interpreted seafloor VHMS system.

### **OAKOVER PROJECT (Cu-Co)**

Located in the highly prospective Eastern Pilbara region of Western Australia, the Oakover Project comprises seven granted exploration licences and five exploration licence applications with a total area of about 3,260km<sup>2</sup>, held 100% by the Company. The Oakover Project is centred on the Proterozoic Oakover Basin and is prospective for copper, cobalt, manganese and iron.

### **PATERSON PROJECT (Au-Cu, Cu-Co)**

The Paterson Project, situated in the Paterson Province at the eastern edge of the Pilbara Craton, is dominated by Proterozoic age rocks of the Rudall Metamorphic Complex and the overlying Yeneena Supergroup. The Paterson area is host to the Telfer Au-Cu deposit, and the Nifty and Maroochydore stratabound Cu-(Co) deposits. Carawine's Paterson Project comprises five exploration licence applications over an area of about 989km<sup>2</sup> across four regions: Lamil Hills, Trotman South, Red Dog and Baton.

### **FRASER RANGE PROJECT (Ni-Cu-Co)**

The Fraser Range Project includes the granted Red Bull, Bindii, Big Bullocks and Similkameen tenements, prospective for magmatic nickel-sulphide deposits such as that at the Nova nickel-copper-cobalt operation. Carawine has a joint venture with Independence Group NL (IGONL), who currently hold a 51% interest in these tenements and can earn an additional 19% interest by spending \$5 million by 2021. As a dedicated nickel explorer with a long term commitment to the region, the Company considers IGO is well placed to carry the Project forward, providing the Company with significant exposure to exploration success in the Fraser Range.

The Company also has one tenement application "Big Bang", located in the Central Fraser Range region and held in its own right.

ASX Code:	CWX	Market Capitalisation:	A\$14.9 million
Issued shares:	55 million	Cash (at 31 March, 2018):	A\$6.0 million