

# STANDING OUT FROM THE CROWD IN A MODERN- DAY VICTORIA GOLDRUSH

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# EXPLORING FOR GOLD IN THE SHADOW OF A HEADFRAME

**There's an old adage in mining that "the best place to explore is in the shadow of a headframe".**

It means that large amounts of mineralisation may have been missed by historical explorers in established jurisdictions due to the technological limitations of their era.

So, by re-entering these areas in modern times, the theory suggests that today's juniors stand a much stronger chance of accessing this mineralisation by leveraging the latest technology and knowledge available to them.

It makes sense—searching for mineralisation in an entirely new jurisdiction is time consuming and expensive, so zoning in on an area where mineralisation is already known to exist in vast quantities offers a valuable head start.

And as such, this strategy of casting a modern eye over historical hubs of production has been deployed worldwide with great effect many times over.

Right now, you'd be hard-pressed to find a better example of this than in the prolific goldfields of Victoria, Australia.

Indeed, Victoria was one of the globe's biggest gold producers back in the 1850s, but long fell by the wayside after all the near-surface visible metal was mined out.

In recent years, however, it has seen a resurgence in popularity after Kirkland Lake Gold was able to turn the historic Fosterville mine into one of the world's most profitable mines by exploring it at previously untested depths.

**Today, many explorers are consolidating and exploring land in the Victoria goldfields in a bid to replicate this success.**

**New Ballarat Gold Corp** is one of them.

However, as we'll show in this report, the company has been carefully constructed by its founders **Power Metal Resources** and **Red Rock Resources** to stand out from the crowd.

**NEW BALLARAT  
GOLD CORP.**



**Held by: LON:POW (49.9%)  
and LON:RRR (50.1%)**

Indeed, **New Ballarat** is not just led by a team of expert geologists with local knowledge, but it has also been granted a vast swath of prospective land around one of Victoria's premier gold production centres—Ballarat.

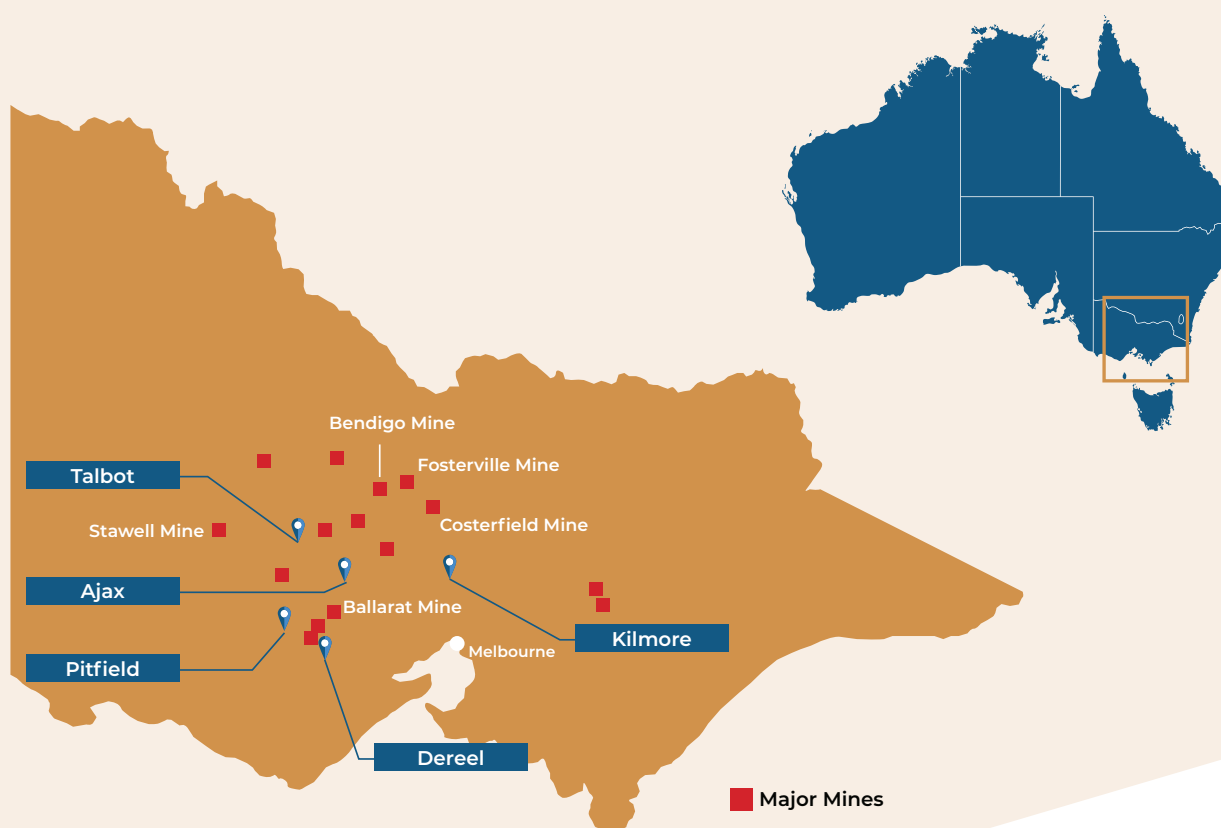
Not just that, but the company's licences cover a wide range of historically producing mines that remain virtually untested at depth—including the large Ajax project—as well as many more blue-sky opportunities within the portfolio.

A New Ballarat listing is planning for London and/or Australia later in the year, opening up a new potential pathway for funding.

And as the company's largest shareholders, **Power Metal** and **Red Rock** stand to benefit as it continues to push forward, potentially adding value to its strong proposition through accelerated exploration and drilling.

Before we get into New Ballarat's strong offering in more detail, however, let's begin by looking at why the fundamentals of the gold market itself stand to offer such an exciting long-term opportunity...

## Major current and historically producing gold mines in the vicinity of New Ballarat Gold Corp's vast Project base within the Victorian Goldfields





# A PROMISING OUTLOOK FOR GOLD

**Prior to the start of this year, the price of gold had retreated considerably from the record highs it hit in mid-2020.**

The precious metal is a well-known “*safe haven*” asset that investors tend to favour during times of uncertainty. So, after attracting unprecedented attention when coronavirus hit the market at full force, passing the \$2,000 an ounce (“oz”) mark for the time in history, it was only natural that some of this interest would wane as the worst of the pandemic passed.

Make no mistake, gold prices remained elevated from a historical level. But it was not until the New Year that they once again cleared \$2,000/oz, even reaching a record \$2,074/oz in March 2022.

The consensus is that this rally primarily came down to the Russia/Ukraine crisis. Specifically, risk assets fell out of favour as uncertainty around the conflict and related sanctions squeezed the price of grain, metals, and energy globally, while inflation roared.

In recent months, the gold price has once again retreated back to the \$1,800/oz mark thanks to a strengthening of the dollar along with accelerated central bank interest rate hikes. But while these are trends that are likely to remain in place for some time, the outlook for gold over the long term remains highly bullish according to a lot of analysts.

The reasons given vary. But many, like those from Goldman Sachs, expect commodity prices to continue rising in the wake of the war in Ukraine, lowering growth expectations in developed countries and increasing concerns about inflation to ultimately accelerate demand for risk-off assets like gold.

Likewise, they believe that Russia will be unable to sell off its gold reserves and increase gold supply due to ongoing sanctions, while strong private demand from Asia is expected to continue amid significant economic expansion and a lack of investment alternatives.



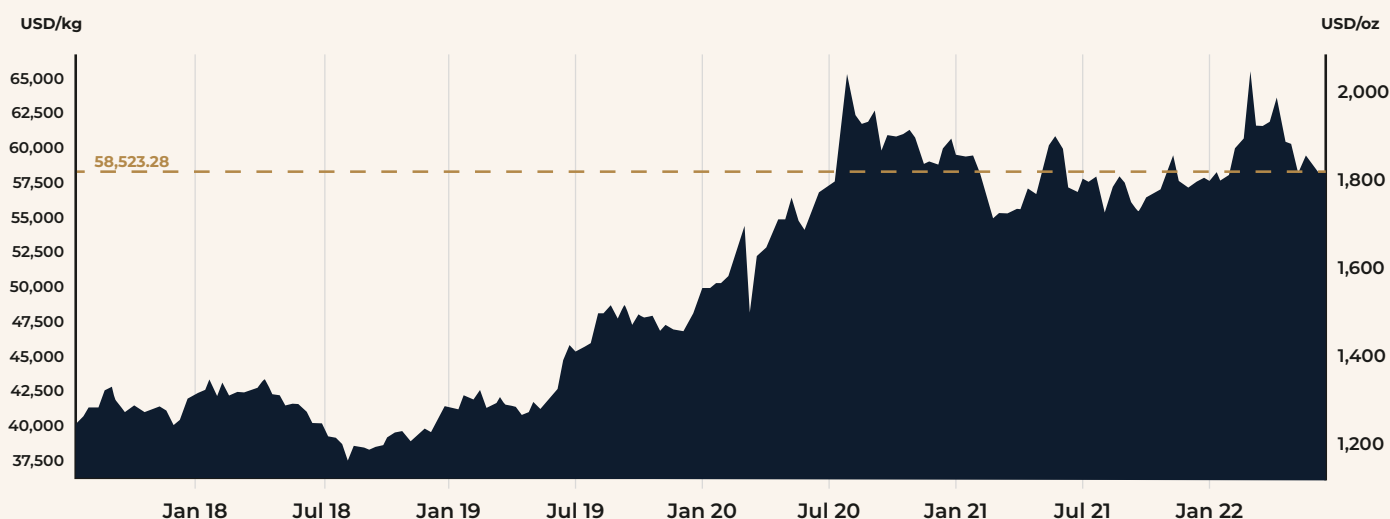
Put it all together, and you're looking at an interesting set of supply/demand dynamics that many believe will lead gold to make a sustained move into unprecedented territory over the coming years.

Whether or not this turns out to be the case remains to be seen. But what is clear, is that gold prospective exploration

projects are enjoying elevated interest as the rush to secure potential upside exposure in this market grows.

Victoria in Australia is an excellent example of this, with exploration interest accelerating at a particularly rapid rate. So, let's take a look at why this area is courting so much interest...

### Five-year gold price chart (as of 15/06/2022)



Source: [www.bullionvault.co.uk/gold-price-chart.do](http://www.bullionvault.co.uk/gold-price-chart.do)

# VICTORIA, AUSTRALIA—A GOLD PRODUCTION POWERHOUSE

**As mentioned, Victoria is attracting a lot of attention right now.**

However, the reality is that this is by no means the area's first rodeo. In fact, as alluded to previously, its relationship with gold exploration dates back to 1851, when the local government started offering rewards for discoveries of the precious yellow metal.

The plan was to bolster the region's economy after the draw of neighbouring New South Wales' gold rush led its population to dive. And it worked, attracting hundreds of thousands of global prospectors fuelled by extravagant stories of the Californian gold rush happening one continent over.

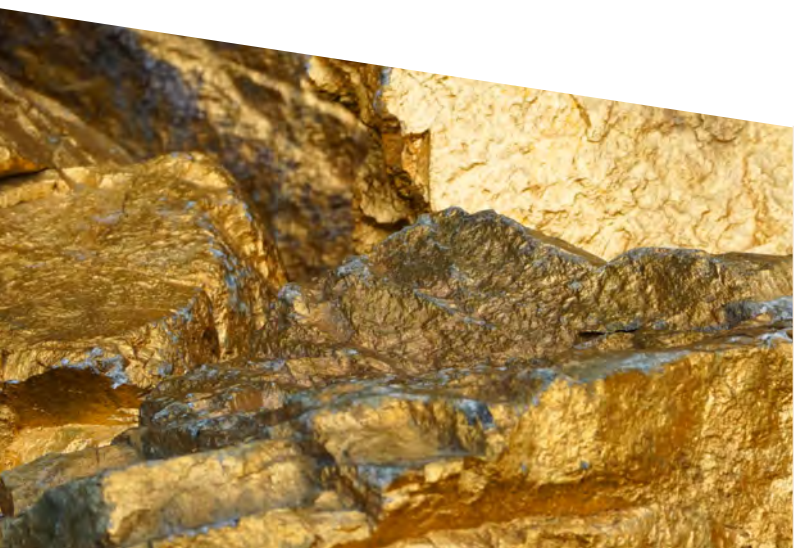
More importantly, it quickly became clear that these hopeful individuals could hardly have picked a better spot. Indeed, stories of enormous nuggets simply being scooped up from the surface practically became commonplace.

Take the tale of a group of amateurs who found a 1,008 ounce ("oz") lump of gold within days of being sent to an empty claim at the Mt Alexander field in 1855, for example. Or what about the one where the small town of Moliagul achieved international recognition in 1869 after becoming the location of the world's largest-ever gold nugget.

It's postulated that the find would have been worth more \$1 million dollars in today's money. However, we'll never know for sure; it was smashed to pieces almost immediately because no scales in the local area were large enough to accommodate its size.

The bottom line is, by 1896, more than 6 million ounces of gold had been mined across Victoria since the goldrush started less than 35 short years earlier. Meanwhile, thanks to the resultant influx of wealth and population growth, nearby Melbourne was even christened "*Marvellous Melbourne*".

**But as Victoria entered the 20th Century, a problem began to arise.**





As abundant as it had once been, a lot of the surface “*alluvial*” gold had long since been discovered. So too had a lot of the slightly more hidden nuggets deposited in creeks and in silt on the local river banks.

The only way forward was seemingly to head underground. The issue, however, was that doing so—particularly beyond a few hundred metres—was highly expensive, time-consuming, and dangerous, thanks to the technical limitations of equipment at the time.

Throw in a ban on gold exports and a vast reduction in Australian labour during the First World War, and gold exploration in Victoria had become nothing but a hobby by the 1920s.

This remained the case for the better part of a century. But in recent years, things have finally begun to change, and it's this opportunity that **New Ballarat Gold Corp** is now leveraging...



# RE-EVALUATING VICTORIA THROUGH A MODERN EXPLORATION LENS

**There's a strong argument to be made that a second gold rush in Victoria was inevitable.**

After all, the area has long been known to offer high grades that can get even greater at depth. The only reason this upside was never fully explored, as mentioned, was simply because technology wouldn't allow it in the early 20th Century.

It was only natural that the region would lie dormant until the conditions required to overcome this hurdle arose. **Today, that is precisely what is happening.**

Alongside rising gold prices, geoscientific knowledge, underground mining methods, and exploration technology have advanced at an unprecedented rate.

New insights and sophisticated equipment have revolutionised everything from ground magnetics and airborne surveying to interpretation, modelling and even deep drilling itself. With such tools, it's now possible for explorers to accurately drill highly informed prospects in even the harshest environments.

And in Victoria, this has naturally opened up the opportunity to unearth large amounts of new gold by exploring beneath the area's abandoned mines at previously untested depths.

As Andrew Bell, chairman of Red Rock Resources, puts it:

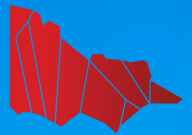
“ Given cut off grades today are lower than ever, it's much easier to mine at greater depths, and state-of-the-art equipment allows known mineralisation to be followed into unexplored areas. Why wouldn't you revisit projects that produced economically many years ago? It's an obvious opportunity. ”

**Andrew Bell**

Chairman, Red Rock Resources







## Nowhere have the benefits of this approach been more evident than at the Fosterville gold mine.

After producing gold in the late 19th and early 20th centuries, Fosterville lay dormant until 1988, when small-scale leaching and underground production restarted. However, the project hit a major inflection point in 2016 when then-owner Kirkland Lake hit high-grade visible-gold mineralisation while exploring at unprecedented depths.

This prompted the discovery of the ultra-high-grade Eagle and Swan Zones, massively increasing the project's reserves. But it also threw down the gauntlet for a new era of deep exploration at the project that went on to unearth many more significant visible-gold bearing zones.

Fast forward to today, and Fosterville is one of the lowest-cost, highest grade gold mines in the world. Moreover, with production passing more than 500,000oz in 2021 alone at a grade of 23.7 grams per tonne ("g/t"), while exploration continues at scale, this prestige looks set to remain for some time.

As you'd imagine, many firms are now moving to Victoria to try and replicate Kirkland Lake's underground success at Fosterville. In fact, a record \$200 million was invested in mineral exploration across Victoria last year, and even more expenditure is anticipated this year in what is being called a "new rush".



It's hardly surprising; the Geological Survey of Victoria estimates that more than 75 million ounces of high-grade gold remains to be unearthed in the region.

But what's really exciting here is that the modern-day gold exploration buzz in Victoria also seems to extend beyond the industry and to investors.

Of course, an obvious example of this is Kirkland Lake itself. The success of Fosterville saw the company's share price rise from less than C\$2.00 to more than C\$70.00 before it was purchased by Agnico Eagle in a \$11bn stock deal earlier this year.

However, a more recent case that perhaps demonstrates the longevity and scale of interest more pointedly is **Fosterville South**. Indeed, excitement around the licences held by this explorer in the Fosterville area led its shares to rise by more than 300% to C\$4.88 a share in a matter of weeks when it listed back in mid-2020.

Whatever way you look at it, interest in Victorian gold is intense right now. And with a large licence footprint in the region that combines historical production and blue-sky exploration, **New Ballarat Gold** offers an excellent new way to get exposure...





# NEW BALLARAT'S SPARKLING VICTORIA GOLD PORTFOLIO

**The rapidly growing exploration interest in Victoria is plain to see. So, to stand out from the crowd, Power Metal and Red Rock have established as strong a value proposition as possible at New Ballarat Gold Corp.**

First off, there's the team guiding the company, which boasts an in-depth knowledge of Victoria's geology and extensive underground experience at local active mines. Exploration manager Dave Holden, for example, has held many senior roles at Australian explorers, most recently working as a mine geologist in Victoria itself.

Then, of course, there's the quality of the extensive licence package that Power Metal and Red Rock Resources have assembled.

**New Ballarat** has been granted an extensive 1,832km<sup>2</sup> of prospective ground in Victoria principally surrounding the world-renowned Ballarat mining centre. Five more licences covering 493km<sup>2</sup> remain at the application stage.

The prospective geology of these so-called "*Ballarat Goldfields*" is evident from the extensive historical production that took place in the area during Victoria's first rush.

But it is also evident in the modern day from Liongold Corp's use of underground mining to turn the Ballarat mine—which historically produced more than 13Moz primarily from alluvial mining—into a modern day, 40,000oz-a-year high grade gold operation.

Alongside its ideal location, a critical edge across New Ballarat's 14 granted licences is also the presence of three different styles of exploration targets. This gives it the greatest shot possible at maximising shareholder value over the long term.

First, there's what Bell describes as the "*low-hanging fruit*".





By “*low hanging fruit*”, Bell refers to the historically producing mines spread across **New Ballarat’s** licence area that have been largely untested by modern exploration techniques. The company plans to change that, exploring for new mineralisation at previously untouched depths and extensions.

Perhaps the most substantial of these nearer-term opportunities is the historic Ajax gold mine, which is based on New Ballarat’s recently granted Daylesford licence.

Ajax comprises many shafts and workings concentrated over several kilometres of strike length, and historically produced more than 312,000oz of gold at an average grade of 14.8 grams per tonne (“g/t”) in the 1920s.

However, like many historical mines in Victoria, it was only ever mined to a shallow vertical depth in modern underground terms; approximately 400m in this case.

A small drilling campaign in the 1990s intersected results of up to 15.24 g/t over 5.2m, demonstrating the continuity of high-grade gold into untested areas. **And now, New Ballarat is preparing to build on this deep underground potential.**

Specifically, work is currently under way to digitise Ajax’s old mine workings into a 3D computer model. This will then help to inform a planned diamond drilling campaign scheduled for late 2022 that will target the along strike and down dip extensions of the mine’s main ore zones.

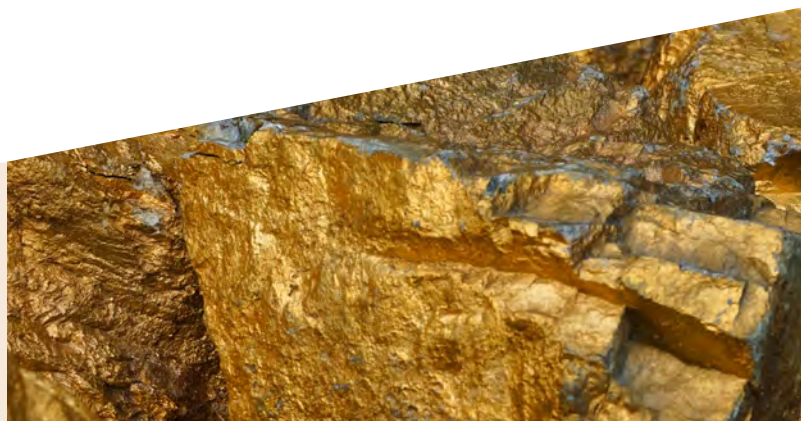
Recently, it was revealed that this historical information has already been used to create conceptual upper and lower tonnage and grade estimates for near-term exploration targets at Ajax. These range from 254,318 to 1,422,443 tonnes at a grade range of 6.4 g/t to 18.7 g/t gold.

Alongside Ajax, New Ballarat also recently reached an agreement to acquire another licence near Ballarat that would add a second former high-grade gold mine to its portfolio.

This mine, known as Berringa, produced more than 293,000oz of gold from 1898 to 1952 at an impressive average grade of 8.3g/t. Meanwhile, a 30-tonne bulk sample extracted in the mid-1970s from a 116m deep central shaft returned an even stronger grade of 9.8g/t.

Excitingly, 2004 and 2014 technical reports subsequently calculated possible exploration target ranges down to 1000m of 0.91 to 3.89million and 0.70 to 2.91million ounces of gold respectively at Berringa.

So, with plenty of drill targets already having been identified from an analysis of previous exploration efforts, **New Ballarat’s** hope is now to move into drilling as quickly as possible.



Beyond Ajax and Berringa, **New Ballarat** is also developing prospects around a variety of other historically producing mines across its land package.

Among the most advanced of these is O'Loughlin's, where drilling is now completed following the identification of a series of historical workings and well developed adits.

New Ballarat is investigating whether a 1km-long oriented arsenic-in-soil anomaly it has identified could be the continuation of mineralisation being mined at the Ballarat Mine. For context, arsenic is a well-known "*pathfinder element*" closely associated with gold in Victoria.

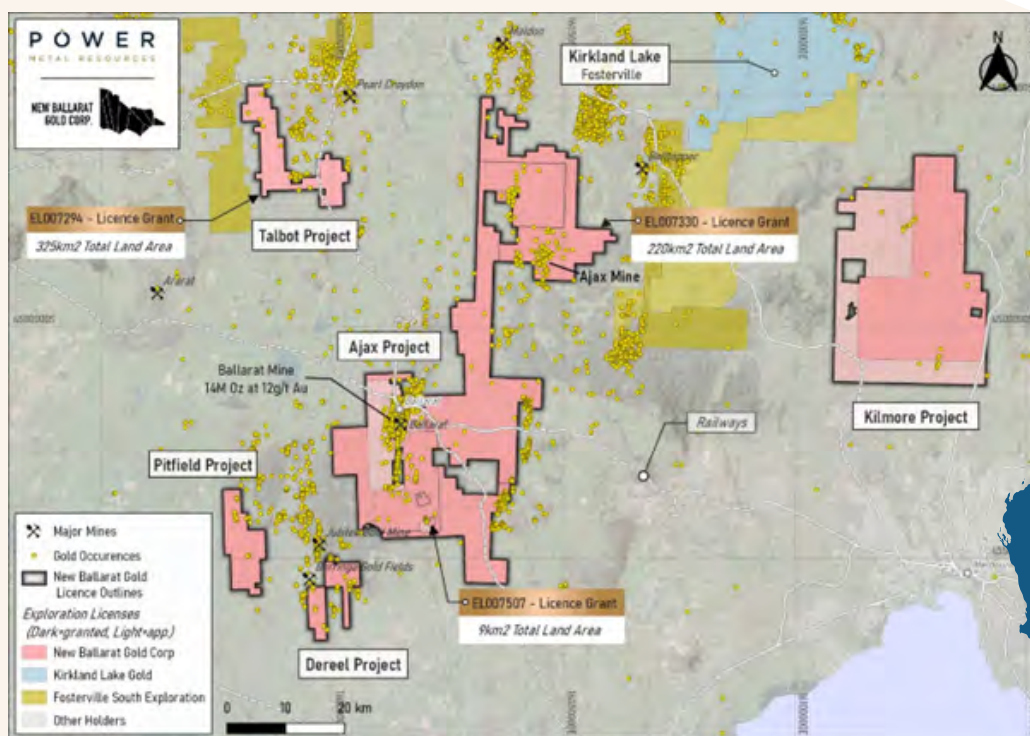
Meanwhile, **New Ballarat** has also recently drilled the Mt Bute prospect at its Pitfield licence.

Significantly, this is located along a roughly north-south oriented line connecting up with Mt. Bute mineralisation located over 6km away to the north. **New Ballarat's** goal is to investigate whether this means that mineralisation may continue in a broad north-south orientation throughout the entire tenement.

Drilling results confirmed the existence of intrusive-related gold mineralisation, **New Ballarat's** second style of Victoria exploration target and a genuinely new model for the region that is increasingly being identified and discussed.

Indeed, more than 30% of assays from drill hole MB22D001 between 23.1m to 117.7m returned results greater than 0.1 g/t gold. The other two holes, meanwhile, confirmed the presence of a coherent mineralised structure.

## New Ballarat Gold Corp's Victoria exploration licence package



# BLUE SKY PRECIOUS METAL POTENTIAL

**Beyond old mines and intrusive-related gold, New Ballarat is also identifying brand new exploration targets across its Victoria land package that may not have the same surface expression, including deeper targets.**

Using machine learning, the company's consultants have trained technology to recognise occurrences of gold mineralisation across its Victoria licence package from satellite imagery.

This perhaps sounds like something out of a sci-fi film. But when such data is refined using supporting modern exploration tools like geophysics, geochemistry, and geological interpretation, it can improve drill targeting greatly.

In fact, this apparatus has already helped **New Ballarat** establish a large bank of robust exploration targets in areas beyond those of historical production. But equally, it also allows the company to respond in earnest to new areas of interest as they arise.

Take its large Kilmore licence, for example, which lies in the “*Melbourne geological Zone*” east of the “*Ballarat/Bendigo geological zones*” that hosts most of most of Victoria's historical gold production.

Recently, fellow explorer Southern Cross Gold revealed a very wide gold intersection at the neighbouring Sunday Creek project grading an exceptional 119.2m at 3.9 g/t gold equivalent. Not only that, but its work also hit eight high-grade intersections of more than 30 g/t gold with assays of up to 199 g/t.

It remains to be seen whether these early-stage results will lead to a major discovery. However, they are no doubt impressive. So, naturally, they have prompted New Ballarat to accelerate exploration at Kilmore to see if such grades extend into its own licence area.

The company had already identified strong folding and faulting across the licence that correlates well with a strong level of antimony; another pathfinder element similar to the one present on Southern Cross Gold's ground. Likewise, first pass historical research has uncovered the Donnybrook gold field, where narrow veins reportedly returned very high grades of approximately 120 g/t.

Using the exploration tools at its disposal, New Ballarat can now build on these strong signs by establishing and drilling targets that reveal more about Kilmore's prospectivity.





# A PATHWAY TO UNLOCKING VALUE IN VICTORIA

**Coming into 2022, Power Metal and Red Rock had already established a strong exploration licence package in Victoria that made New Ballarat Gold stand out from the crowd.**

Not only was it large, but it was also based in a proven region of large scale, high-grade gold production virtually untested in the modern era. Meanwhile, it also featured many of its own historically-producing operations that have never been tested at depth or along strike, as well as plenty of prospective blue-sky targets.

However, now that the historical Ajax and Berringa gold mines have been added to the mix, **New Ballarat's** offering has only been elevated further. After all, what we're looking at here are major operations with impressive grades that have largely fallen by the wayside since Victoria's first gold rush.

It's too early even to speculate on Ajax and Berringa's modern prospectivity. But when it comes to exploring for gold in the shadow of a headframe—as Kirkland Lake did at Fosterville—it's hard to think of a better place to start.

In April 2022, we at Power Metal highlighted that New Ballarat is targeting a listing in the London and/or Australian markets in early Q3 2022.

When this takes place, there is a good chance the firm will immediately benefit from strong interest among some investors right off the bat based on the performance of its peers—especially given today's buoyant gold market.

**As New Ballarat's largest shareholders, Power Metal and Red Rock Resources stand to enjoy an immediate benefit that could continue long into the future as the company continues to work to unlock value across its portfolio by way of exploration.**



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