

# Mammoth boost for golden sector

By NEIL DOWLING

THE incubator strategy of Perth-based Oroya Mining will create a spin-off resource group that is pre-wired to start production.

Mammoth Resources, which is expected to list early next year, will be packaged with a suite of Oroya gold and base metal projects.

One is the Throssell project 160km north of Laverton in WA that has an array of "walk-up" drill targets for gold, base metals and rare earths.

The new company will list with five projects from Oroya and private company Goldphyre Resources.

These assets will be vended into Mammoth in return for shares.

Once listed, it is expected Oroya will own about 60 per cent of the new company.

Oroya director Joshua Wellisch said Oroya shareholders would benefit from a new company that had walk-up drill targets and the short-term potential for production.

The move will leave Oroya with a

smaller portfolio of exploration prospects, but Mr Wellisch said there were plans for Oroya to drop its incubator status and pick up production-ready assets.

"Traditionally we have looked at building assets and then placing them elsewhere to maximise our explorer status," he said.

"But we expect, within the short term, to acquire developed assets that have proven potential. There's a few exciting prospects coming up."

Oroya, which has raised \$1.2 million since April through

three share placements and issues, can also develop existing assets.

However, in its directors' report to shareholders last month it said that exploration activities had identified potentially mineralised regions, but "have not yet resulted in the discovery of mineral resources".

The sale of its WA exploration gold and base metal interests at the Mt Barrett Throssell project in WA and the New South Wales gold projects at Moruya and Pambula will leave it with nickel exploration

near Kambalda, the Sofala gold project in central-west NSW and joint venture gold prospects in Victoria.

Private concern Goldphyre, unrelated to Oroya, will sell three exploration licences to Mammoth, including a promising gold-and-base-metal project near Leonora and the Yamarna project east of Laverton that has calcrete-uranium and gold potential.

The sale of its assets into Mammoth is subject to the successful listing of Mammoth on the ASX.