

Explorers, boffins all agog about new-found resident at Tennant Creek

Nimble juniors lining up to test the new frontier in copper-gold exploration;

12th March 2021 Barry FitzGerald

A bunch of junior explorers are as excited as junior explorers can be after the big time copper/gold potential of the Northern Territory's Barkly region east of Tennant Creek was confirmed in a government-sponsored drilling program.

The East Tennant region, as the boffins are calling it, is not quite an exploration hotspot just yet.

But it could quickly become one as juniors with a footprint in the region step up their activities in response to what one of the players described as "absolutely outstanding" results from the drilling, part of the Federally-funded National Drilling Initiative (NDI).

First results from the trail-blazing 10-hole stratigraphic drilling campaign, conducted by Geoscience Australia and the NT's Geological Survey (NTGS), have just been posted for all to see and according to the NTGS, the East Tennant region is "rapidly emerging as one of Australia's most exciting exploration frontiers".

Because the drilling was stratigraphic in nature, it was not about returning nice juicy hits. It was about confirming the presence of rocks of the right age to host IOCG-type deposits (Olympic Dam, Prominent Hill, Carrapateena, Ernest Henry and others), and the right plumbing systems for deposit formation.

The drilling apparently did all that and more, with two of the holes (on small patches of ground excised from company exploration licences) intersecting significant sulphide mineralisation with IOCG affinities.

Those who know about these things reckon Hole 4 was particularly impressive for its presence of copper. The industry gets a closer look at the drill core at a geoscience conference at Alice Springs in April, with no more than two company reps at a time allowed in the room.

The drilling followed preliminary geoscience work that first highlighted the IOCG-type copper/gold potential along the East Tennant Ridge beneath the Georgina Basin between Tennant Creek and Mt Isa across in Queensland.

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That in itself prompted something of a pegging rush which the NT government shutdown for a while by halting the issue new exploration licences so the pre-competitive geoscience work could run its course, opening up the area again in late 2019.

Fleet-of-foot junior explorers who pegged their ground ahead of the confirmation of NDI drilling – Newcrest (NCM) also has a big presence, as does BHP in a broader regional sense with junior Encounter (ENR) – are now sitting pretty as investors warm to their “first mover” status in the new exploration frontier.

They include Inca Minerals (ICG), Greenvale (GRV), Middle Island (MDI) and Strategic Energy (SER). All except SER have been mentioned here previously on the strength of their East Tennant presence, and other interests.

Activity in the stocks has been stirring post the NDI drilling because big copper/gold discovery potential in frontier areas always excites the punters, particularly now that copper has raced from the \$US2.50/lb average of the June half last year to more than \$US4/lb.

So they are going to be worth watching as the NDI drilling provides fresh momentum for their East Tennant forays.

INCA:

Inca was mentioned here last week as a “Tier 1” deposit-hunter at its flagship Riqueza project in Peru and its plum East Tennant ground position.

It has since moved up from 9.5c to 12c on the NDI drilling news and it has got away a \$2.8m placement at 10c a share to accelerate its NT work, and maybe some extra drilling at Riqueza.

Hole 4 which impressed in the NDI drilling with its IOCG-style copper mineralisation was drilled on a small government-held block surrounded by Inca’s Frewena Far East project.

Inca said that importantly, Hole 4 was located on a 30km-long composite anomaly which is home to three targets it has generated, all of which are approaching readiness for drilling.

GREENVALE:

Neil Biddle's Greenvale was mentioned here in November on the strength of its combo interests of the Alpha torbanite project in central Queensland, and a big ground position in the East Tennant.

It was a 10.5c stock at the time and has since marched off to 17c, with East Tennant providing the latest kick.

The veteran geologist Biddle is doing his bit to overcome the exploration skills shortage by getting back out into the field as a general hand to help out with a drilling program at Alpha.

Before heading out though he penned a few words on his excitement about the NDI drilling results:

"Having high-quality stratigraphic diamond drill holes completed by the Government to unlock the potential of this exciting frontier mineral province is a huge leg-up for companies exploring in this area," Biddle wrote.

"The preliminary results of the drilling, based on the photos of the core I have seen, are absolutely outstanding and have provided a massive injection of confidence into the district.

"The holes have provided clear evidence that we are well and truly in the right area to unlock an entirely new generation of IOCG deposits in Australia."

Greenvale has been doing its own geophysical work, the data from which will now be combined with the NDI drilling data to refine targets for later drilling.

Biddle also noted the surface copper oxide discovery by Rick Yeates' Middle Island at its Crosswinds prospect was in an exploration licence that borders one of Greenvale's ELs.

MIDDLE ISLAND:

The Crosswinds find – next to the Barkly Highway - was announced just before Christmas.

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It was said to reflect the secondary migration of copper along growth faults that extend from basement rocks up through the otherwise barren Georgina Basin cover.

It adds to the idea that a previously overlooked part of northern Australia could be hiding some big copper (and gold) deposits at depth.

Middle Island is one of the bigger players with 12 EIs and applications covering 4,411sq kms.

That the ground has again been upgraded by the NDI work after Crosswinds is a bit of a bonus as the company's main go is getting into gold production from its Sandstone project in WA.

Yeates reckons the East Tennant upside is not yet reflected in the company's share price. So he plans to demerge the Barkley copper-gold assets in a pro-rata distribution to shareholders, followed later by a priority entitlement for shares in a future Barkly IPO.

Middle Island was a 36c stock back when it announced Crosswinds. There was a flutter of interest which took the stock to 40c when the NDI results were announced. But the slump in the gold price since has pulled the stock back to 25c.

"The demerger will provide investors two opportunities to grow value; in Middle Island as a more advanced pure gold exploration and development company, and Barkly as it commences greenfields exploration of an exciting new copper-gold province," Yeates said.

STRATEGIC ENERGY:

Strategic Energy's shares have come up from 3.9c to 4.8c since the NDI results were announced a week ago.

It too has been doing its own geophysical work and noted recently that it was encouraged by the size and intensity of the main gravity anomaly in the survey work.

It has four EL's, one of which is adjacent to Newcrest ground. It reckons that subject to land access agreements with all concerned, it will be good to go with a maiden drilling program mid-year.

It pulled in \$2.2m for the effort in late January from a heavily oversubscribed placement at 4.3c.

STAWELL'S WHOPPER:

The Melbourne Mining Club gathered for the first time since February last year, with a (restricted) crowd of 400 rocking up for a panel discussion on all things Victorian gold.

Campbell Olsen, CEO of Hugh Morgan's private equity group Arete Capital, stole the show, as is his wont, by revealing drilling at the Arete-managed and part owned Stawell gold mine (6Moz to date and still going strong) had returned a 1,206m intersection grading close to 6g/t gold.

Make it 1.2km if you prefer. No one was hitting up CommSec because Stawell is owned by what you would call a private syndicate. But generally speaking, it has got to be good news for the overall exploration effort in Victoria, most notably in this case by the recently-listed Arete spin-off, North Stawell Mines (NSM).

NSM is exploring for Stawell repeats to the...north, and new results can't be far off.

There are some caveats with the Stawell whopper. The hole was drilled down plunge in a gently dipping banded iron formation.

"We don't know how thick or wide it is yet but we are about to strike drive it. We got a whole bunch of half and metre intervals of at half an ounce, and one ounce dirt, but we really can't quantify it yet," Olsen said, speaking after the formalities of being on stage were over.

Asked if it was a potential game-changer, he said: "Probably, I think so.

"We've got to figure out how to mine it first. I am going to drive down the guts of it and see what we can find."

As it is, Arete is already scoping a threefold expansion of the Stawell mill to get production up to 300,000oz a year in the next two or three years, at which point it is likely that it will either get taken over by a listed gold producer, or will be brought to the market by Arete.

TOLGA DOUBLY EXCITED:

Nervous tension is building for Tolga Kumova on two fronts – his 10% owned Aston Minerals (ASO), and the annual charity polo day at his Daylesford retreat in country Victoria.

Aston rose 70% on Wednesday on news of visible gold hits at its nicely located Edleston gold project in Ontario, Canada, and it put on another 10% to close at 6.4c on Thursday.

“It could dwarf everything I have ever done,” Tolga said. That would be something. But its early days yet at the project.

The polo day is as ritzy as they come, with all profits to go to the Mirabel Foundation, because every child deserves a childhood.

Tolga is not worried about the catering or ticket sales. It’s just that he is getting a bit tense around competing, having only sat in a saddle for the first time all of two years ago.

He is competitive as they come but acknowledges that when it comes to polo, he knows his place in the team. Good luck to him and the event, which is being held on Saturday March 20.