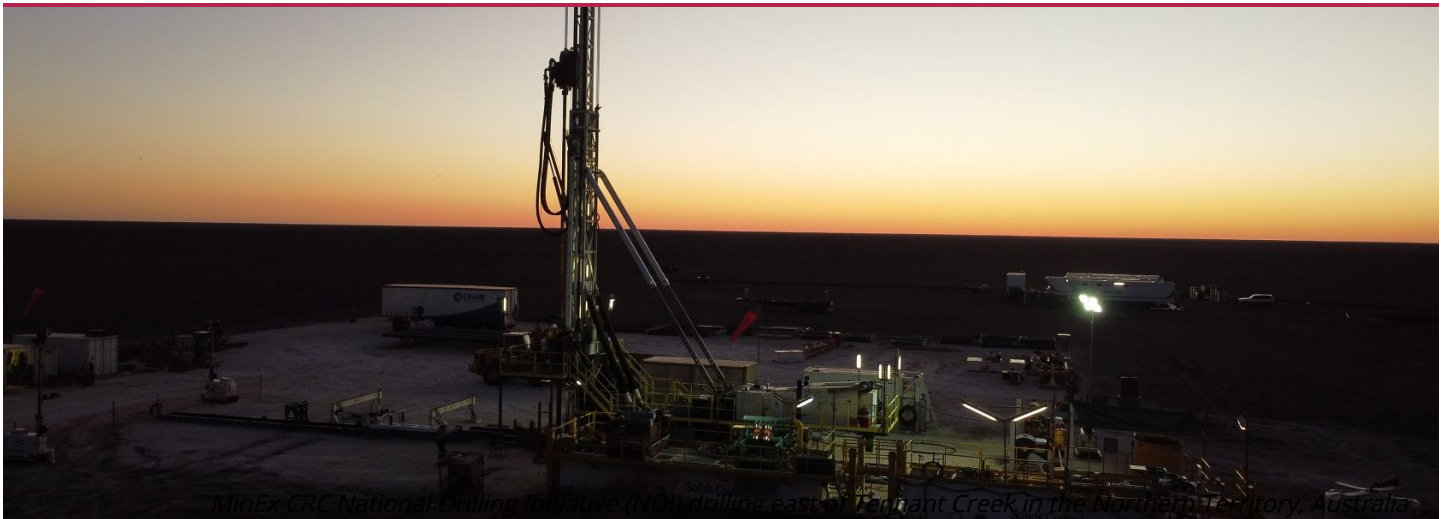


'Stunning' results from government-led drilling in East Tennant

AUSTRALIA'S National Drilling Initiative, a bold new approach by government to encourage greenfields mineral exploration, has delivered spectacular initial results.



MinEx CRC National Drilling Initiative drilling east of Tennant Creek in the Northern Territory, Australia

Exploration / Development > Discovery

The MinEx Cooperative Research Centre (a partnership between government, the private sector and academia) and Geoscience Australia last week uploaded data and core tray photos from 10 stratigraphic holes in the first NDI campaign, extending across the newly defined East Tennant region.

Comments

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Geoscience Australia's Exploring for the Future program between 2016 and 2020 identified strong potential in the region for IOCG-style copper and gold associated with a basement ridge that extends under cover towards Mt Isa.

The results from the initial precompetitive geoscience were so powerful the NT government closed the region to new exploration licence applications in 2018, keeping speculators out while the EFTF work was completed. A pegging rush followed when the restriction was lifted in October 2019, resulting in the take up of ground by Newcrest Mining and a number of junior explorers, including Inca Minerals, Strategic Energy Resources and Middle Island Resources.

In the process, MinEx CRC took up title to 2km-by-2km licences over drilling locations for the first NDI campaign.

The stratigraphic holes confirmed the pre-drill expectations about depth of cover and the presence of basement rocks that fit the model for IOCGs and potentially other mineral systems. This would be enough on its own to make the campaign a success, but the highlight is a direct hit of copper and possibly gold mineralisation at the fourth hole (NDIBK04), about 40km northeast of the Barkly Roadhouse, within Inca Minerals' EL 32293.

In an ASX release today, Inca reported drill holes 1 and 4 intersected significant intervals of sulphides with IOCG affinities. Hole 4 had widespread sulphides below 89.5m to the end of hole at 416.3m, including pyrite, pyrrhotite, marcasite, chalcopyrite (a copper sulphide) and arsenopyrite. There was also some galena (lead sulphide) and bornite (another copper sulphide).

Inca managing director, Ross Brown, said the government drilling had "revealed some stunning new geology for the East Tennant area".

"The presence of broad sequences of veined and altered rocks with ore-forming copper minerals below thin cover has certainly exceeded expectations and is a very exciting development for this highly prospective but under-explored province," Brown said.

Inca's regional exploration manager, Rob Heaslop, said he was excited by the NDI results, particularly for the fourth hole. "We're very pleased with the outcome that validated the IOCG prospectivity of the whole region, and to be an early mover."

He said the NDI results would have a big impact on Inca's exploration program. "We have already engaged our geophysical consultancy to do a full review of all the precompetitive data and work that into detailed magnetics we flew last year on both FFE and FF projects. We will be pulling the strings together on all of that info and the outcome from that review will really dictate what we do next. We're fairly confident that will be ground gravity surveying over selected targets and hopefully reconnaissance drilling as well this year," Heaslop said.

Middle Island managing director Rick Yeates said he could "certainly see why there has been so much excitement around it, and anticipation".

"I think the drill results are fascinating from a stratigraphic perspective as well as an economic perspective," he said.

Middle Island drew attention to its East Tennant program in December with the discovery of high-grade secondary copper (up to 76.2%, based on portable X-ray fluorescence) at its Crosswinds prospect in EL 32297. The discovery was made

just by inspecting cuttings of a table drain alongside the Barkly Highway.

"Like our Crosswinds discovery, it's extremely encouraging to be getting copper sulphide mineralisation within at least one of those holes, particularly given they were drilled for stratigraphic purposes rather than discovery purposes. I think that helps create a rising tide on which all boats rise. We're all benefiting from each other's success out there and it just helps build the opportunity, which is really quite exciting," Yeates said.

Strategic Energy Resources executive chairman, Stuart Rechner, said the company was excited by the "stunning results" from the NDI program, which had "broken the ground" by comprehensively

NDI drilling core sample from hole 4 at a depth of 251m, showing a chalcopyrite-pyrite vein and parallel veinlets



demonstrating prospectivity and mineral fertility.

"The collaborative and multidisciplinary work of the MinEx CRC, Geoscience Australia, the NTGS and the Exploring for the Future program is an essential catalyst for this kind of exploration, which will lead to the mines of tomorrow.

"Exploration is getting harder and heading deeper under cover, and the market struggles to finance the kind of large-scale programs necessary to open and explore new provinces in a comprehensive way."

Rechner said the EFTF program led Strategic to make a significant investment in northern Australia, including the East Tennant region. The company had already completed multiple large-scale, detailed ground gravity surveys across East Tennant ahead of a major drilling program, beginning mid-year.

Explorers can access the geological logs, downhole geophysics, geochemistry core tray photos and other drill hole data from Geoscience Australia's new Borehole Completion Report tool in the Geoscience Australia portal and the MinEx CRC NDI portal.



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