

## Set up to make the big score

By Mark Fraser, who visited the NT site

One enterprising Perth-based junior looks set to revive what could well be one of Australia's last known – but possibly least understood – bona fide gold districts.

SINCE LISTING ON the ASX in an oversubscribed IPO last November, Emmerson Resources Ltd has consolidated a strong land holding around Tennant Creek in the Northern Territory and is currently in the process of evaluating the results of its first major drilling program.

Emmerson controls some 2,700 square kilometres of prospective central Australian real estate covering areas that were previously explored and mined by Peko, Normandy (Posgold) and, in recent years, Giants Reef.

The company also owns a key piece of strategic infrastructure – the area's only (carbon-in-pulp) milling and processing facility, which was used by both Normandy and Giants Reef up until 2005

and now sits on care and maintenance.

Although the obvious gold endowment of the Tennant Creek region has been recognised since the mid 1930s, Emmerson's arrival on the scene marks the first time one company has had control of all of the district's central land holdings and databases.

As it stands, the sibling resources house is focused on discovering a new generation of iron oxide-copper-gold-uranium deposits in the area and – over the next few months – will complete a major regional (40,000 line km) gravity program to help it achieve this goal.

### Interesting results

In the meantime, the junior also plans to continue with its drilling activities, which



*Emmerson exploration manager Steve Russell in the Malbec pit.*

have already returned a couple of mouth watering intercepts at its West Gibbet target just 6 km west of the Tennant Creek township near the now-closed Chariot mine.



*The Warrego milling complex is one of the company's key strategic assets.*



*Rob Bills at West Gibbet.*

“Despite its production history, this is an immature field when it comes to exploration,” Emmerson chief executive and managing director Rob Bills explained.

“In effect, our collective database covers some 50 years of work, which means we are in a position to drill high quality brownfields targets very quickly.

“Only 7% of the historic drilling in this area has gone to depths greater than 150 metres – with our geophysics we will be able to see what’s going on geologically down to 400m below surface.

“And to prioritise our targets we are putting together a ranking sheet. We have John Miller from the University of Western Australia’s Centre for Exploration Targeting working with us

to help determine what controls these deposits.”

In late May Emmerson told the market that the first drill hole from West Gibbet returned a gold intersection of 13m at 66.9 grams/tonne from 74m – including 9m at 95.5 g/t from 74m.

Originally defined by a large magnetic anomaly back in the 1950s, West Gibbet was prioritised and ranked based on the re-processing and remodeling of existing geophysics as well as its integration with the local geology and gold-copper-bismuth geochemistry.

While originally a “Priority 3” target in the company’s project pipeline, Emmerson is now confident this new interpretation of the mineralisation has opened up a previously untested zone which the junior has yet to fully define.

Bills said the explorer’s 2008 drill program would comprise a minimum of 20,000m of RC drilling. By early July, it had completed 7,000m covering four project areas.

During (calendar) 2008 the company will spend some \$9.56 million on exploration and plans to inject a further \$5 million into its field activities over the next 18 months – representing 86% of its November initial public offering of \$20 million.

### **Plan established**

One of Emmerson’s initial aims, Bills said, was to establish a gold reserve of 200,000 ounces – possibly from two or three open



*Steve Massey, who is leading the junior’s geophysics program, looks over some of the samples in the Tennant Creek core shed.*

pit operations – and then look for a large underground ore body to underpin the junior’s longer term growth.

Its Warrego gold plant, located 60 km south of Chariot via haul road, has an operating capacity of 35 t/hour (300,000t per annum) and average historic recovery figures of 98%.

Originally built by Normandy in 1968, it was completely refurbished in 2003 and acted as the processing facility for the Giants Reef operation until the mine was closed in late 2005.

“The mill, as it is set up, can recover 40% gold through gravity alone and incorporates all of the latest technology, so it will be a relatively cheap plant to run,” Bills said.

“To get it up and going should cost anywhere between \$1.5-2 million, and this is against a replacement cost of \$20 million, so owning this plant is of strategic importance to us.”