

Strategy set to reveal region's potential

Northern Territory-focused Emmerson Resources Ltd has shown a willingness to embrace new technologies and theories as it continues to explore around the Tennant Creek mineral field.

Managing director Rob Bills told conference delegates that Emmerson would use a three-pronged attack in the field – applying technology to greenfields tier one targets, assessing brownfields tier two targets as well as carrying out resource definition of historic projects.

Located in the central NT about 400 kilometres north of Alice Springs, Emmerson's tenements cover most of the mineral field, which has shown in the past to have strong potential for high grades of copper and gold.

"Tennant Creek is one of the highest grade mineral fields in Australia," Bills said.

"These are great prizes to find, they're fairly small footprint deposits, but if you find them, they're very high grade."

Bills explained that the policy of using new technology and concepts on greenfields areas had already begun at Emmerson.

"Last year, we had a fairly major breakthrough in using VRMI – it's a new

processing technology with magnetics as the focus – and this year we're bringing in Heli-TEM to screen those targets," he said.

"In summary, there's a very good correlation between conductivity and iron content, and also sulphide content."

Having identified these targets, Emmerson would then hone in on copper-gold in these areas using the Heli-TEM, a new form of airborne electromagnetic technology.

"It's the world's most powerful airborne EM system – it's designed for deep exploration and we think it's very applicable to Tennant Creek," Bills said.

"The ground is very resistive ... there's not too much other conductive rock in this stratigraphy, (and) we think we can see down to 400-600 metres with this technology and we fly over 100m spaced lines.

"The first phase of this will occur in March. We're going to do some orientation over some of the major deposits just to confirm that it's working, and then we'll fly it over our tier one deposits."

Bills said much could be yielded from older deposits through geological modelling and looking at areas which had yet to be explored.



Rob Bills

"We've got a cross section of the Warrego deposit which shows the open pit and the drives," he noted.

"When we put all this together in a diagram, we realised that there's quite a bit of rock volume that's magnetic, so it's probably host to same kind of material found in the mined ore below. But it doesn't have one single drill hole in it at all.

"Now if you look at it fairly conservatively, give it a density of 2.7 and presume that 50% of that volume is iron stone – and you give it a Warrego-type grade – you're looking at something in the order of 180,000 odd ounces of gold."

Deal cements company's place on WA map

Atlas Iron Ltd's goal of becoming a larger iron ore player in Western Australia's Pilbara is coming ever closer with the announcement that its bid to take over Giralia Resources NL was nearing completion.

Early this month, Atlas told the market it had received 97.09% in acceptances for the bid.

Once absorbed, the Giralia assets would help the WA-based mining house up its iron ore production rate to 22 million tonnes per annum of direct shipping ore by 2015.

Atlas currently produces 6 Mtpa from its Wodgina and Pardoo operations, and this is set to double by 2012, with ore coming from Wodgina, Abydos and Mt Webber as part of the Turner River Hub.

During the conference the company's chief operating officer Ken Brinsden explained how the miner's growth strategy had developed.

"The Atlas story and strategy is really

simple and it hasn't changed – basically our theory was that we could discover iron ore that was close to existing infrastructure and grow our production base," he said.

"We've discovered something like 400-450 Mt in the north Pilbara, and all of that sits within 200 kilometres of (Port Hedland), and it's a great foundation stone for the growth of our company."

Brinsden emphasised that the success of the Giralia bid was key to Atlas' plans going forward, noting that the market too had responded to this growth potential.

"When you put these two companies together, you get those 450 Mt sitting within 200 km of the port," he said.

"Aside from the resource base, there's also a substantial growth in Atlas' tenement base, moving to 26,000 square km, all within highly prospective iron ore country in the Pilbara.

"There's been significant growth in Atlas' share price in the last couple of

months, and a big chunk of that I think is people seeing sense in the merger with Giralia – since we announced that deal our share price has appreciated something like 20%."



Ken Brinsden

Being open to new infrastructure and transport options was also an important part of the imminent ramp-up, according to Brinsden.

"The Turner River Hub Project takes us from 6-12 Mtpa during the course of 2012, and it's based on an existing resource base, the development of a new logistics chain ... basically an off-highway haul road solution that we expect over time will likely be converted to rail," he said.

"It's a \$200 million project and it's well under way in an engineering and environmental approvals point of view."

Stories by Caroline Smith