

Ivanhoe/Emmerson start pursuit of new Tennant Creek

Ivanhoe Australia Ltd's push into Tennant Creek has officially started with JV partner Emmerson Resources Ltd announcing the first results from a planned \$18 million exploration campaign.

Ivanhoe farmed into the project in April, attracted by the new approach Emmerson had taken to exploration in the well-trodden field. Historically, the gold and copper-gold orebodies which litter Tennant Creek had been discovered using magnetics but in applying gravity-based geophysics on a large-scale for the first time, Emmerson has identified 26 "tier 1" targets, all missed by previous explorers because they occur under cover.

Ivanhoe is committed to spending a minimum of \$7.5 million over the three-year farm-in period and will earn a 51% interest in the majority of Emmerson's Tennant Creek tenements once it spends \$18 million.

The recent drilling programme was the first under the new JV, with the Pinnacles North and Trinity 1 prospects the first to gain attention.

At Pinnacles North first-pass RAB drilling on a target comprising a magnetic response to the north and a larger gravity anomaly to the south identified a 750 metre long leakage anomaly within hematite altered rocks. Follow-up RC drilling confirmed those results, indicating that the leakage anomaly was strengthening at depth. Intersections from the RC programme included 15m @ 152 ppb gold from 75m, including 3m @ 313 ppb gold and 0.24% copper and 3m @ 0.30% copper, 0.45% lead and 0.10% zinc, and 15m @ 43 ppb gold, 1.40 g/t silver, 0.21% copper and 0.12% zinc from 81m.



Tennant Creek is well known for 0.5-1 moz gold equivalent orebodies but Ivanhoe Australia and Emmerson are now exploring for even larger deposits

"These early results are highly encouraging, particularly considering the drilling to date has only been within the top 75m of the weathered zone and where the gold and base metal concentrations can be dispersed and subdued," the company said in October. "The thick iron-oxide alteration combined with the broad leakage anomaly of copper-bismuth-iron-silver-lead-zinc-gold is interpreted to be analogous to other buried but mineralised deposits within the Tennant Creek Mineral Field such as TC8, White Devil and Juno.

"The next milestone for this project will be to establish down-plunge vectors both from the geochemistry and down-hole geophysics, followed by deep diamond drilling."

At the Trinity 1 target, a programme of first-pass RC and diamond drilling intersected a variety of rock types ranging from brecciated

and disaggregated "red rock altered granites", altered gabbros and dolerite dykes, hematitic porphyries and pepperites.

The company said the drill core samples would be used to build a constrained geological and geophysical model for the next phase of drilling.

"The initial results indicate the presence of a potentially new style of iron-oxide mineralisation at Trinity 1 not previously seen in the Tennant Creek Mineral Field, but with similarities to other iron-oxide provinces."

Emmerson has now switched the three drill rigs to the Northern Project area – where the JV will test the Vivid, Olympus, Delphi, and Macedon targets – and the Ivanhoe-Colombard area where drilling will take place on the Drakkar, Colombard 1 and 2 and Trirame prospects.

Borrooloola deal for Sandfire/Mineral Resources

As the exploration successes continue across the border in Western Australia, Sandfire Resources NL has moved to ensure its Borrooloola manganese project in the Northern Territory gets the attention it deserves.

In September the company struck an agreement with Mineral Resources Ltd that will see the manganese player solely fund the exploration and development of Borrooloola, in the Gulf of Carpentaria in the NT's north-east.

Under the deal, Sandfire will be free-carried through development and production.

"Essentially, under the agreement Sandfire will receive 30% of the profit (before interest and tax) from all manganese operations undertaken by Mineral Resources and importantly at no risk or cost to Sandfire," the company told the ASX on September 30.

Sandfire managing director Karl Simich said Mineral Resources' experience in the manga-

nese sector and its financial muscle would allow Borrooloola to be developed without Sandfire committing itself at a time when its own funds and time were tied up with the continued exploration success at its Doolgunna copper project in WA.

"Sandfire stands to benefit enormously without having to commit resources to the project."

Mineral Resources executive director Chris Ellison said the deal was positive for both companies.

Originally a mining services company, Mineral Resources has taken a greater interest in the junior resources sector in recent times.

In April it made a takeover bid for Pilbara junior Polaris Metals NL as part of its strategy to increase its volume-based bulk materials production arm, held in subsidiary Process Minerals International, having previously secured a

suite of manganese assets in WA's north.

"The agreement with Sandfire at Borrooloola allows Mineral Resources to expand its manganese portfolio of operations outside Western Australia and gain access to an alternative long-life manganese resource to supplement the Woodie Woodie, Peak Hill and Balfour Downs operations," Ellison said.

The Borrooloola project covers more than 13,000sq km and is in a region already proven to host world-class manganese deposits. The project is within the same geological sequence as the Groote Eylandt manganese deposits, owned mined by BHP Billiton Ltd.

Both Borrooloola and Groote Eylandt were laid down on the Lake Albian shoreline and confined to shallow water marine sediments underlain by Dalumbu sandstone.