

Venture spies old tin pot(ential)

A 10,000m drilling campaign, the first in the area for more than 20 years, should be enough for Venture Minerals Ltd to confirm its suspicions that the Mt Lindsay tin project on Tasmania's west could hold economic magnetite resources.

The programme will largely consist of in-fill drilling around the Zone 2 and Main Zone prospects at Mt Lindsay – 30km south-east of the Savage River magnetite operation – and Venture believes will provide enough data to produce a resource estimate in the second quarter of 2008.

This is due to Venture's reinterpretation of a large database of drilling results it inherited from Renison Mines Ltd which walked away from the project following a dip in tin prices more than 20 years ago.

Venture had itself planned to re-examine the project's tin potential but a chance meeting with the management and exploration teams of Trafford Resources Ltd, led the company to investigate its magnetite potential.

"PIRSA had asked us to display some core from Churchill Dam (the company's IOCGU prospect in South Australia) at the SAREIC conference in May," managing director Andrew Radonjic told *Paydirt*. "Our booth was next to Trafford Resources and we looked at what they had done in turning the Wilcherry Hill project (also in SA) from a gold play into a magnetite one. All the gold holes had been assayed for iron so it was pretty easy for them to come up with a resource.

"Most magnetites are in BIFs but Wilcherry Hill was in skarn. We thought 'we have skarns (at Mt Lindsay) and we know they are magnetic, we better re-check the database'."

Renison had identified a non-JORC resource of 500,000t @ 0.8% tin at Mt Lindsay but Venture's interests in the historical core now lay with the iron assays.

"Of the 81 holes, 17 had magnetite assays in them and 15 of the 17 averaged 24m @ 32% iron."

Metallurgical testwork undertaken by Promet Engineering suggested a high quality magnetite concentrate grading 68% iron was in evidence, giving Venture impetus to further investigate the project's potential.

Infrastructure in the area is excellent with hydropower, road and rail all running through the tenements but Venture has one eye looking north-west to the 40-year old Savage River mine. The operation's new 90% owner, Jiangsu Shangang Group, is believed to be considering an expansion of its 2.5 mtpa capacity and Radonjic feels the timing may be just right for Venture.

"To fulfil that expansion they are going to need either a massive cut back, or another source of open pittable tonnes, that is where we may come in."

Not that Venture will inevitably head down this route, Radonjic saying \$200 million may be enough capital to develop a 2.5 mtpa, 20-year operation at Mt Lindsay.



Venture Minerals' managing director Andrew Radonjic outside the company's Subiaco offices

The challenge first is to define the tonnages, which the current drilling programme will begin to achieve.

The initial focus will be on the Zone 2 area, where tracks still exist from previous drilling. This previous drilling produced intersections of 35.1m @ 35.8%, 30.5m @ 40.5% and 54.5m @ 34.8% iron.

"From the geology and the assays we can start seeing about an 850m zone (of mineralisation). In that 850m zone, we can see 17mt. It won't take a lot to infill this. It's not like drilling a gold deposit, it is a lot more consistent, you only need to drill on 200m by 50m spacing.

"But this is only 850m strike of 4km of skarn already drilled, and there is another 18km that is yet to be tested," Radonjic said.

The latest area at Mt Lindsay discovered to contain magnetite is the Stanley River prospect, 3.5km west of the Main Zone.

There re-evaluation of the old data produced an assay of 61.9% iron, much higher than typical magnetite grades of 30-37% iron, "that's almost pure magnetite".

With the resource in Zone 2 easily defini-

ble, Radonjic said the company expected the second quarter resource to be noteworthy.

"The maiden resource will be out in the second quarter of 2008, we are aiming for 30-40mt. We expect to see 25mt reasonably easily. If the 10,000m goes successfully, we would like to get to 100mt by the end of 2008."

To reach this level drilling will have to be intensive but Venture has this covered with as many as three drill rigs planned to be on the ground by the end of 2007.

"One rig will drill maybe three diamond holes from one pad so we will be able to get plenty of metres drilled by the end of the year."

Venture is also well aware of the remnant tin potential of the project.

"Out of the 20-25mt we might have a 0.4% tin grade, so we have a nice tin product. This becomes even higher if we process the magnetite, because as a non-magnetic material, tin would end up in the tailings and suddenly the tailings are running at 0.8% tin. Upgrade that and you have a saleable product."

- Dominic Piper