

Pilbara VMS opens other opportunities for explorer

With Western Australia's north west rising in prominence as a centre for strong base metals plays, explorer Venturex Resources Ltd increased its presence in the region with the acquisition of the Panorama copper-zinc project during January.

Located 162 kilometres south east of Port Hedland, Panorama is the largest known volcanogenic massive sulphide play in WA's Pilbara.

According to Venturex managing director Dr Tim Sugden, its real value lies in its role as a resource add-on to the junior's more developed Whim Creek project to the west.

"Before we bought Panorama, we had a resource of around 8 million tonnes at about 1.2% copper and 2.7% zinc," he explained.

"While it was viable, and had reasonable economics, we have been looking for opportunities to increase both the scale and longevity of the proposed production centre.

"With Panorama, our total resources move up to 26.9 Mt at a 2.2% copper equivalent grade, which is about 580,000t of copper metal (equivalent) in

the ground.

"This is a good mid-tier resource base."

Venturex kicked off a bankable feasibility study on the combined project, focusing on a centralised processing centre at Whim Creek, where the current infrastructure – and Panorama's resource strength – influenced the decision to link the two.

"The combined project has much more attractive economics," Dr Sugden explained.

"We will cart from Panorama with a copper equivalent grade of approximately 4% for around \$25-26t. The potential annual cash flows are considerably higher – more than double what we had for Whim Creek as a stand-alone project."

Panorama has itself been through feasibility, showing strong underground mining potential. It has a high grade core which is also ripe for exploration, and Dr Sugden affirmed that growing the resource base here was a definite priority.

"We will be doing some exploration to seek to expand the known system, drill along strike to test other systems and re-evaluate the resources in the context of an

underground mine," he said.

"We're looking at enhancing the tonnage or grade ... obviously, because we have to cart the ore 250 km, we want the highest grade optimum product and we need to minimise mining dilution."

The acquisition also simplifies the production plan for the first 6-7 years of operations, with most ore being mined from two sources – Panorama and Mons Cupri.

"Recent drilling at Mons Cupri has enabled the design of a larger pit, with potential to produce 500,000t a year for at least six years," Dr Sugden said.

The bankable feasibility study will assess the optimum mill scale, given the increased resource figures. The annual milling capacity will lie somewhere between 0.8 and 1.2 Mt per annum, with total production of around 16,000t of copper and 40,000t of zinc annually."

Stories by Caroline Smith