

Straight into the jungle

Perhaps better known in Australia as an up-and-coming copper-zinc developer, Venturex Resources Ltd has traded the red Pilbara rocks for the lush Amazonian rainforest to trek for growth and commodity diversification in Brazil.

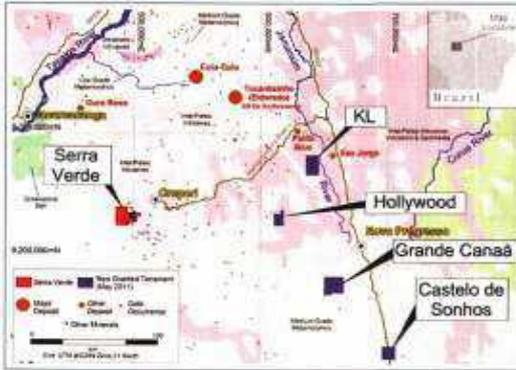
Still early days for the company in South America's largest country, Venturex owns 100% of Brazilian subsidiary CMG Mineração Ltd, where it is focused in the Mato Grosso area and the Tapajós gold region, north of the state of Para.

Led by a mix of expat and local geologists and dealmakers, Venturex has been putting together a robust tenement package which will one day host some world-class finds, managing director Tim Sugden told **Paydirt**.

"The overall strategy in the last few years was to build up substantial, high value, highly prospective tenement packages in emerging gold regions, and that is why we really focused on the Tapajós; because we felt that was a region that was unexplored, had very prospective geology, a long history of alluvial mining, and has a number of significant emerging discoveries," Sugden said. "For us it ticked all the boxes in a region where one may find significant new discoveries.

"And while we have more advanced projects in Mato Grosso – where there are significant workings and some drill information – we just felt that they are unable to give us multi-million ounce discoveries, which is why we thought strategically we would move into this new area (Tapajós)."

The company was granted new tenements in May – KL, Grande Canaã, Castelo



Venturex will be undertaking auger drilling and surface sampling on its recently expanded Brazilian tenements, with hopes to drill deeper after the rains in 2012

de Sonhos and Hollywood – alongside the Serra Verde project in the Tapajós, covering 120,000ha. Now the hard geological work begins.

"The criteria we have used in our project selection is the presence of significant alluvial mining or other forms of garimpos (artisanal mining camps), because often they have done the overall targeting for you.

"Alluvial-in-stream systems are often located not very far from the source. Often we will assess the alluvial mining history and look at whether there is a bedrock source that is obvious or has been mined. If we feel that the dimensions of the system are large enough that they can support significant orebodies, we then have entered into negotiations with various groups who may – or may not – hold the leases."

"We are quite excited about it; now we just need to get in and drill some real holes," Sugden said.

The plan for the rest of the year is early exploration work; mapping, surface sampling, and auger drilling with a recently purchased rig which three men can easily carry through the forest, Sugden said.

After the wet season in 2012, the company should be ready to roll out a first-pass drill programme on the more promising targets tested this season.

"In reality we are just fine tuning the targets now. There are certainly places where you could line an RC or diamond rig up right now on an exposed high-grade zone, but we are sort of going beyond that with the auger rig and looking for unknown vein systems or stockwork systems which sit outside of what has been encountered by the local miners. Part of the issue is it is a very expensive task to bring in rigs to remote areas, so you want to be certain of the targets you want to drill."

Sugden likes Brazil as a mining jurisdiction; saying the laws are transparent, there is limited tenure risk and no significant corruption.

"We do acknowledge that we are in quite a remote part of Brazil with access issues, etc, but these are the areas where you are most likely to find a big one; it is underexplored, its new country, yet with a significant history of gold production so you know that there is something there."

– Luke Sizer