



Lucrative mineral deposits found

By ANDREW STRUTTON

MINING explorers are crowing about a series of lucrative mineral deposits in north-west Queensland, but remain tentative about the resources wealth translating into industry jobs.

This week, base metals explorer Ivanhoe Australia Ltd started a development study on its estimated \$6.4 billion Merlin rhenium and molybdenum deposit near Cloncurry, while China Yunnan Copper Australia Ltd (CYU) announced drilling would commence immediately at its Cloncurry, Mount Isa and Pentland projects.

Meanwhile, junior explorer GBM Resources Ltd said results from systematic soil sampling had defined a 1.6km-long copper-gold anomaly at its Milo Prospect within the Brightlands Project south-west of Cloncurry.

The State Government has also rolled-out a third round of Collaborative Drilling Initiative grants, worth up to \$150,000 each, to 17 mining exploration companies across the state – including GBM subsidiary Isa Tenements, BHP Billiton and Xstrata Copper Exploration.

But while it was good news all-round for the miners, both Ivanhoe and GBM were guarded about their project's ability to fill the 5000 resource sector jobs lost in Queensland since the mining meltdown began six months ago.

Ivanhoe Australia chief executive Peter Reeve said drilling at the Merlin site had indicated the estimated 13 million tonne mineral resource was the highest grade source of rhenium and molybdenum identified anywhere in the world.

However, despite the in-ground metal value of the deposit hovering about \$6.4 billion, Mr Reeve said it would take at least two years for the discovery to translate into job opportunities for the north-west.

"As a company, we're really chuffed – the mining sector only has these sorts of discoveries once every 30 or 40 years," Mr Reeve said.

"Indications are that Merlin could just be the (periphery) of a larger poly-metallic accumulation, which has certainly given us the impetus to get development up on that site within the next couple of years.

"It (the discovery) will be good for employment in the Cloncurry and Mount Isa districts as well as Queensland in general.

"It's a high-grade, high revenue project, with a lot of export dollars to come from it."

Likewise, GBM managing director Peter Thompson said despite the 'company maker' potential of the Brightlands Project and its copper-gold anomaly, it was a case of 'one step at a time' for the junior explorer.

"The Brightlands ground is the key focus for GBM and overall we're pretty excited about the project's potential – we're certainly in the right area with the right commodities," Mr

Thompson said.

"We also paid a brief visit to our (nearby) Tiger Prospect this week and, like Milo, discovered high-grade mineralisation on site.

"We will be back at Tiger next week, and further field work to progress Tiger, Milo and other priority targets (in the Brightlands Project area) to drill-ready (status) is scheduled to be completed during the June quarter."

Mount Isa to Townsville Economic Zone (MITEZ) executive officer Glen Graham said with the ostensible potential for new mining ventures, the regional economic development group was eagerly awaiting the release of the SIMS energy solution report and Queensland Rail's 'master plan' to accommodate extra resource sector tonnages.

"Hopefully these announcements will lead to another major mining operation in the region and ensure the robust future of the north-west," Mr Graham said.

"It would follow that any significant operation would bring with it enormous opportunities for employment and revenue for the government.

"But with these new mining ventures on our doorstep it is now more important we have appropriate infrastructure in place to meet demand."

The Mineral Council of Australia and the Queensland Resources Council did not provide comment.