

FMG builds on copper-gold hunt

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FORTESCUE Metals Group has signed two separate farm-in and joint venture agreements with junior explorers over South Australian ground.

FMG has agreed to farm into Tasman Resources' Vulcan iron oxide-copper-gold-uranium prospect, about 30km north of BHP's massive Olympic Dam mine.

The iron ore major can earn 51% of Vulcan by sole-funding A\$4 million in exploration over three years.

FMG can reach 80% by sole-funding an additional \$7 million over a further five years.

Rio Tinto farmed into the same project between 2011 and 2014, but pulled out after drilling failed to intersect thick medium-to-high-grade mineralisation comparable to Olympic Dam.

Tasman said a potentially large IOCGU system had been intersected in all 17 holes at Vulcan, while at the Titan prospect, a large low-grade IOCGU system had been identified.

The company has other undrilled targets at Vulcan West, Zeus and Pernatty.

Drilling at Vulcan has returned results like 56.7m at 0.59% copper and 0.17 grams per tonne gold from 874.2m, including 7.8m at 1.21% copper and 0.35gpt gold; and 162.9m at 0.23% copper and 0.07gpt gold from 1065m, including 90m at 0.25% copper and 0.09gpt gold.

FMG has also agreed to farm into two tenements that make up Strategic Energy Resources' Myall Creek project on the west coast of the Spencer Gulf.

FMG already holds the surrounding tenements, having pegged them last year.

FMG will spend A\$1.5 million on exploration over five years, including a minimum of 1500m of drilling to earn an 80% interest in the project.

IOCG host rocks are present in the project area and overlying sediments include a 15km zone with anomalous copper in historical drilling.

The tenements lie within the Cultana Training Area, controlled by the Department of Defence, but SER has a good relationship with the department and has already been granted access to explore the area.

"SER welcomes Fortescue joining the Myall Creek copper-gold project, bringing its substantial exploration and technical capability having discovered and developed some of the most significant mines in the world," SER executive chairman Stuart Rechner said.

While FMG will remain focused on iron ore, it has identified copper as a potential diversification.

The company has been active in New South Wales since 2015, and in Ecuador since 2016.

The focus on grassroots exploration outside iron ore has ramped up under CEO Elizabeth Gaines.

FMG has a large landholding in the prospective Paterson Province in Western Australia.

The company has opened offices in Quito and Buenos Aires and in November 2018, FMG acquired an Argentinean explorer for US\$2 million, giving it control over 48 tenements in San

Juan.

The first drilling program at FMG's Santa Ana concessions in Ecuador kicked off in April.

FMG is also looking for lithium in the Pilbara and in Portugal.

Tasman shares surged 35.7% to A3.8c, while SER jumped 14.2% to 0.8c.

Shares in FMG were up 3.1% to \$8.61 after iron ore reached US\$110 per tonne overnight.