

## ***Rio Tinto's copper whopper is finally out in the open***



**Brad Thompson**

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*It is a spectacular land grab even for a company the size of Rio Tinto.*

*The mining giant drills three holes in the Paterson Range in Western Australia in December 2017 and jumps the size of its footprint in the region from 1000 square kilometres to 12,000 square kilometre in less than 12 months.*

*Rio tried until this week to play dead whenever asked*

*about the flurry of activity in the Paterson, but the fact it was onto a copper whopper became one of the worst kept secrets in mining.*



Rio Tinto chief executive Jean-Sebastien Jacques gleefully announced details of a new copper discovery on Wednesday. Chris J. Ratcliffe

*The folklore already springing up around the find includes that Rio's team on the ground pooled their credit cards to pay costs in the rush to lodge tenement applications.*

*And it wasn't just Rio rushing its grab land and becoming suddenly open to talking to some of the junior explorers already resident in the Paterson. Andrew Forrest's Fortescue Metals Group increased its footprint from zero to 5310 square kilometres last year.*

*Rio's stonewalling on the find finally stopped on*

Wednesday when a gleeful [Jean-Sebastien Jacques](#) revealed Rio's high hopes for the Winu project.

*"The initial results from the first phase of drilling are pretty encouraging, there is a lot of copper, lots of gold, lots of silver," the Rio chief executive said. "And I'm really looking forward to the second phase [of drilling]."*

*The second phase is expected to be completed by the end of the year.*

*All but one of the holes drilled by Rio to the end of 2018 show mineralisation. And assay results show wide intersections of vein-style mineralisation with grades above 1 per cent copper.*

*Some big numbers are being thrown around based on the small amount of information available so far, including that Winu could top 1 billion tonnes with 4 million tonnes of copper, 14 million ounces of gold and 80 million ounces of silver.*

*Back-of-the-envelope modelling by analysts at Hartleys came up with 400 million tonnes with more than 2.5 million tonnes of copper equivalent or more than 12 million ounces of gold equivalent.*

*"Rio has said the mineralisation is vein style copper, gold and silver beneath relatively shallow cover which ranges from 50-100 metres," Hartleys said.*

*"Winu looks to have the makings of a large-scale mine but it is still early days with drilling ongoing and a maiden resource still to be declared."*

*Goldman Sachs said that at first glance it appeared Winu was a world-class discovery with the potential to become a*

mine.

*If Winu, named from the local Aboriginal word for thirsty, does become a mine, it will be open cut and give Rio the greater exposure it is seeking to copper. The metal has long been a key ingredient for many industrial processes, but has seen even greater demand with the rise of renewable energy and electric vehicles.*

*The geology at Winu is close to that of Newcrest's Telfer mine about 120 kilometres away and it is Telfer's history as a tier one asset that played a big part in Rio, with help from Antipa Minerals, coming to the remote Paterson region and then locking up huge slabs of land all the way to 80 Mile Beach between the iron ore export hub of Port Hedland and Broome.*

*Antipa, backed by some of the team who worked at LionOre before its \$7 billion sale to Russia's Norilsk Nickel in 2007, listed on the ASX in 2011 and started picking up ground in the Paterson region.*

*Its interest was based on the theory that Paterson had a proven track record of hosting tier one assets like Telfer, which had 32 million ounces of gold and a million tonnes of copper pre-mining, and was under-explored in part because any mineralisation was covered by deep desert sands.*

*Antipa started using aerial electromagnetic and aeromagnetic surveying to identify drill targets and soon found copper and gold.*

*Some impressive mineralisation numbers caught the eye of Rio's international exploration team in London and by*

late 2015 the mining giant had a \$60 million farm-in agreement covering the junior explorer's Citadel project. Antipa executive chairman Stephen Power says Rio used exactly the same aerial electromagnetic surveying as Antipa, which has 5500 square kilometres of tenements in the Paterson, to find Winu.

"They got a large anomaly, they even thought it might be a false positive. They went out and put three drill holes into it and all hell broke loose," he says.

"The story goes they pooled their credit cards to make sure they could lodge applications without having to go through all the procedures that such things have to go through at Rio."

Some of the tenements picked up by Antipa and others, including Greatland Gold, were discarded by Newcrest at times when it was looking to sell Telfer.

Newcrest chief executive Sandeep Biswas was looking on the bright side at the company's recent results presentation, saying it was "increasingly obvious is that the whole Paterson region is opened up to exciting new potential discoveries" and Telfer's substantial infrastructure and gas pipeline were valuable processing assets.

Sipa Resources managing director Lynda Burnett says Rio's announcement on Winu was confirmation of what most had suspected for the best part of a year.

"We knew it was big and getting bigger. We knew they had drilled down to about 1000 metres and all the rumours were true," she says.

*"The detail of what was in the release is very comforting from my point of view because it is very similar to what we have next door. We don't quite have those grades but we have only drilled four holes."*

*Asked about the potential size of Winu, Burnett, who knows the Paterson region well after working at Telfer as a graduate mining engineer more than 30 years ago, says:*

*"I've thought the footprint looks a bit like (OZ Minerals') Carrapateena in South Australia so that is plus 100 million tonnes.*

*"I think Winu is bigger than that and it is shallower than that. I say in excess of 100 million tonnes and probably optimistically up to 500 million tonnes that is my guessimate."*

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## **Talk of major Rio copper find set to reignite interest in the Paterson**

Resources Rising Stars - 6<sup>th</sup> April 2018

It's been worth the wait to finally hear from Rio Tinto (ASX:RIO) as to what it is on to at its Winu (named after an old soak from an aboriginal word meaning thirsty) copper-gold-silver discovery in Western Australia's Paterson province.

The thing is big, more than 1 billion tonnes containing 4mt of copper, 14m oz of gold and 80m oz of silver, according to the more-optimistic back-of-the-envelope assessments doing the rounds. And it is getting bigger too, with Rio stepping up its spending this year at the remote site.

The industry had been relying on the bush telegraph and satellite imagery since early last year to get a feel for the significance of the find, 130km north of its geological analogue, Newcrest's (ASX:NCM) Telfer gold-copper mine.

But that all changed on Wednesday night when Rio's clearly-delighted CEO, J-S Jacques, said that even at this early stage of the discovery, it is "absolutely clear there's a lot of copper, a lot of gold, a lot of silver".

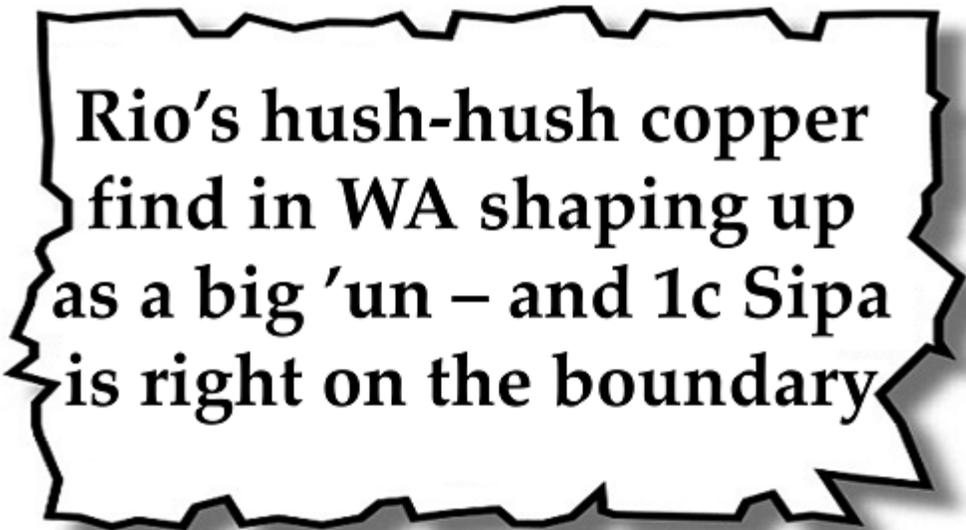
He was talking after the release of first assay results from 14 diamond holes (and partial results from another two) in last year's 20-hole diamond drilling program (drilling resumed in January with another four holes completed so far).

The results included very thick intersections of vein-style copper associated with gold and silver below relatively shallow cover (50 to 100m), with the mineralisation remaining open at depth and to the east, north and south.

The thickest intersection was a 741m hit from 68m grading 0.45% copper, 0.52g/t gold and 2.94g/t silver. The grade might not excite the average punter, but it is right up there with something like Newcrest's Cadia gold/copper mine in NSW.

More to the point is that it also seems Winu has the big-tonnage potential that makes a big porphyry system like Cadia, with its low to moderate grade, such a fabulous operation, yet it is at much shallower depths.

In the ideal world of Rio, it would st



**Rio's hush-hush copper find in WA shaping up as a big 'un – and 1c Sipa is right on the boundary**

Resources Rising Stars - 15<sup>th</sup> June 2018

ill be keeping silent on Winu. Another 12 months of intense drilling and it would have a better handle on whether Winu had Tier-1 potential (which looks to be the case), without having to share its intellectual property with the rest of us.

But rumours of the find since as early as April last year meant pressure was building from the rest of the mining industry to “do the right thing” and give the whole exploration scene a lift by confirming Winu as something special.

Rio has now relented, and good on it too. Winu is shaping up as a big reward for Rio maintaining its exploration effort when other big names let their efforts lapse after the 2012 industry shakedown.

There was not enough information in Rio's Winu announcement to be definitive about just how big Winu is. Besides, drilling continues.

But as stated earlier, that has not stopped outsiders with knowledge on these sort of things from having a stab.

The behemoth scale mentioned earlier (i.e. 30m oz on a gold-equivalent basis) was countered by more conservative stabs, right down to 150mt of mineralisation at 0.8% copper equivalent (1.2mt of copper).

Hartleys was one the few prepared to go public with its speculative assessments - 1.3mt copper equivalent or 6.3m oz gold equivalent based on the two drill sections released by Rio, or 4.5mt of copper equivalent (22m oz of gold) if Winu is plotted as being 1km long, 400m wide, 700m deep and with a specific gravity of 2.5.

Goldman Sachs did not have a stab at Winu's scale. But it did say Winu "appears to be a world-class discovery."

"Early days, but Winu looks like a potential mine in our view," GS said.

Whatever Winu's eventual size, it is one of the most important discoveries in a long-time for the Australian industry. Its name is added to the minerals bounty for which the Paterson is already known, though it remains lightly explored.

That situation has given the junior explorers and miners such as Fortescue (ASX:FMG), Independence (ASX:IGO) and OZ Minerals (ASX:OZL), which were in the Paterson ahead of the Winu whispers, and those which have recently arrived, the incentive to find the next "big" one.

## Paterson-Winu juniors

While there was lots of excitement in mining circles about Winu's world-class potential, it did not rub off on to the juniors active in the region during



Resources Rising Stars - 16<sup>th</sup> November 2018

ng trade on Thursday. But that will come.

Most of them had a bit of a share price spurt higher in early Thursday trade but then gave up the gains in the afternoon.

All that was to be expected (buy the rumour, sell the fact) as it will take time for the full significance of Winu for exploration in the broader Paterson region to sink in. Rio's J-S did his best on Wednesday night, but promoting the upside from early exploration results is not Rio's style, or J-S's forte for that matter.

In coming weeks and months, the juniors will be firing up their 2019 programs and will be telling one and all about the leverage they have to making a discovery like Winu. The information from Rio is also going to help them in defining new targets and refining existing targets.

Those to watch are the very same that were worth watching ahead of Winu being confirmed as something special. An incomplete list is Antipa (ASX:AZY), Sipa (ASX:SRI), Encounter (ASX:ENR), Rumble (ASX:RTR), Red Metal (ASX:RDM), Marindi (ASX:MZN), Metalicity (ASX:MCT) and Carawine (CWX).