

# FINANCIAL REVIEW

## Winu is the model of a modern major mineral find, says Rio

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Rio Tinto cannot tell anyone yet how big its ground-breaking Winu copper discovery is.

But what the Anglo-Australian mega-miner can tell us already is there is a good chance there are more Winus hidden across its corners of the Paterson province in Western Australia's lonely north-west.

According to Stephen McIntosh, Rio's group executive of growth and innovation and the man steering Rio's revitalised greenfields exploration effort, the immediate plan for Winu is to work out by Christmas whether the thing has the "size and scale" to move a big miner's dial.

In an exclusive interview with *The Australian Financial Review*, McIntosh reported that Rio was "pushing hard to drill out" a discovery that he identifies at a touchstone for revitalisation of the Australian minerals exploration industry.

"We really want to know, by the end of this year, is it big enough for us, yes or no? There is a very nicely mineralised system, but is there the size and scale that is the key for us," McIntosh said.

"But remembering also, within the context of our land package, we have other high-quality, would I dare say Winu-like targets, certainly high-quality targets - that are walk up and drill. (They are) the right scale and the right size and the right sort of depth.

"We have drilled over a kilometre now. We will come back to the market. We will undoubtedly say something in the middle of the year," McIntosh predicted.

[Winu is a potentially world-class copper, gold and silver discovery whose confirmation in February](#) was foreshadowed by fierce speculation through the back end of 2018 that Rio had found a copper whopper in the Paterson, a region made famous as the host of a world-class gold deposit called Telfer.

### Thirsty work

Rio's new find was named by the elders of one of the two groups of traditional owners, the Nyangumarta. Aptly enough given the find is 350kms south-east of Port Hedland in the eastern Pilbara, the word means thirsty.

Outside of a potential now under aggressive review by drill bit, what makes Winu so special is that it is a fully covered slice of copper mineralisation that sits in an area that was previously identified as gold country.

There is no outcropping. It was revealed through new-age technologies and bold new thinking that was seeded by informed intuition and then affirmed by the capacity of super computers to drag information from the deepest of data pools.

“It is really pleasing for us to make a Winu-type discovery in Australia,” McIntosh reflected. “I think that people had lost faith to a degree. You know, (they were saying) it was all done here, we have to go out to weird and wonderful places to find new stuff. But I think we just needed to open up our eyes and re-find the searchlights.”

There is absolutely no coincidence that Rio’s February revelation was preceded last November by news that [BHP had recovered some stunning copper intercepts from drilling at Oak Dam in South Australia](#). The two finds are different copper kettles given BHP’s are at depth though substantially richer. But the broader significance is the same.

Oak Dam, which interestingly enough last week found its way onto a small but rich list of BHP’s longer copper options in a strategy briefing by the Global Australian chief financial officer, Peter Beaven, has followed the same path to discovery as Winu. It is the product of new thinking, new technology and big data.

Importantly, Rio’s recovered exploration mojo will likely reap a whole lot more than Winu, according to McIntosh.

“What I have been saying to the shareholders is that I do anticipate for there to be a news flow to be coming from our exploration group in the near future of things other than Winu,” he said.

“About five years ago we made the pitch that we were going to need to take the teams and very purposefully send them back to greenfields so that we could re-stock the early-stage pipeline.

“During the super-cycle, a lot of our focus went back to the brownfields, and rightly so. We needed to feed those amazing expansions. We were still doing some greenfields but it was somewhat subordinated to make sure we were able to feed the machine during the super-cycle.

“But the decision was taken to get the greenfields machine running, to cull the things that are not going to make it and start to move forward the things that are. Winu is the first of those that has popped out (of that process). And I am confident that we will see other things. We had arguably our strongest year last year identifying mineralisation - and that is always a good precursor to discovery - in probably 15 years,” he said.

## **A first drill discovery**

“The interesting thing about Winu is that it was a first drill-hole discovery. And it was into a defined target that we identified geophysically,” McIntosh said.

“If we take a step back, you know, in and about 2011-12 it became really clear that we were going to have to crack the code in terms of how we effectively explore under cover. And so there was a concerted effort in the exploration group to think about a suite of technologies that would help us do that and how we rethink the whole (exploration) conundrum.

“We then worked through those technologies – and there are a number of them – and then we worked through our philosophies. We began to ask the right questions. ‘Where in the world are belts of rock where we know there is already potential, where there is already a world-class deposit but the rest of the belt potentially sits beneath cover?’

“The (copper) industry has spent a lot of time in the Andes, you know, without a lot of success to be frank. So we go around the world, we come back to Australia and we think about various parts, whether it is up in Queensland, or in South Australia or you are in WA. And we went, ‘Well, what are those belts where there is one or two and then there is a lot of cover?’

“The Paterson was clearly one of them. Telfer is clearly an absolutely world-class deposit. But it was gold rich. Historically, for us, we are not a gold company. And I think for too long we were probably a little bit sidetracked by thinking, you know, this was just a gold belt. So we had some more of that thinking – that philosophy if you like – where we go, ‘Could we have more copper in a belt that looked like that?’ And our teams view was, yes, we could. So it was a matter of ‘OK, so where would we go to catch that copper’.”

## **Look west, young man**

It had long been appreciated that the geology slipped deeper to the east of Telfer. But Rio wanted to find something in the shallows. So eyes were turned west.

“We saw evidence in the data that there were areas that had shallower cover, more basement features. So we went out there and flew a very specific set of surveys on a very specific sort of structural model that we were using,” McIntosh said.

Those models were partially informed by a Rio joint venture with Antipa Minerals, which sits to the north of the Winu target area and where there are “semi-exposed parts of the belt”.

“So we had some understanding of the geology there. We applied that understanding, that thinking, to the rest of the belt,” he said.

“The interesting thing about Winu is ... we were not necessarily targeting the direct detection of the ore body but rather maybe the secondary detection of the features that would go with the system we might eventually see. But we always love the first drill hole when you find it.”

## **Honouring Sir Arvi**

The original fully cloaked copper discovery in Australia was Olympic Dam. The team that revealed what might be the world’s largest single ore body were freed to their quest by WMC legend Sir Arvi Parbo.

[Sir Arvi, who died on May 1](#), will be remembered at a Memorial Commemoration to be held at the Melbourne Town Hall at 10am on Monday. The event has been organised by a group of mining industry luminaries including Hugh Morgan and is being held with the support of the Parbo family.