

## A copper whopper? Rio expands drilling



Copper is a key priority for Rio Tinto and the company is in the middle of the developing its new Oyu Tolgoi underground mine in Mongolia. Photograph: Bloomberg

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### **PAUL GARVEY**

SENIOR REPORTER

[@PDGarvey](#)

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Rio Tinto will soon start drilling other exploration targets near its Winu copper discovery in Western Australia's Paterson Range as its efforts to prove a new copper province gather pace.

The company's copper chief, Arnaud Soirat, took the rare step of visiting Winu in person last weekend in a sign of the growing hope within Rio Tinto the project could turn into the mining giant's next copper operation.

“It’s unusual for me to come to an exploration site at such an early phase but it’s a very interesting project,” Mr Soirat said.

After months of rampant speculation and a frenzy of licence pegging, Rio Tinto earlier this year confirmed it had discovered copper in the Great Sandy Desert at Winu.

Rio Tinto chief Jean-Sebastien Jacques has since been talking up the potential of the find, although analysts have noted the drilling data to date suggest Winu may not be of the scale required by a company of Rio’s stature.

Earlier this month, Citi analyst Paul McTaggart said results out of Winu to date were “not world-class” and the project needed to increase in size and/or grade.

But Mr Soirat said Rio’s presence at Winu was continuing to grow, with the company yet to define the limit of the deposit in three directions.

He said about 180 to 190 people were currently working on the project, operating eight diamond drill rigs and three RC drill rigs.

The geology team on site had also identified a number of targets in the broader area around Winu that would be drilled in the future.

“We are also looking at potential sites in the region, but that is very early days,” he said.

While Mr Soirat is confident the deposit will continue to grow, he stressed size was not the only factor that mattered to Rio.

“The fundamental logic in our strategy is value over volume. We are not aspiring to become the biggest copper business in the world. Being the most profitable copper business, that is very interesting to us,” he said.

Copper is a key priority for Rio Tinto and the company is in the middle of the developing its new Oyu Tolgoi underground mine in Mongolia. It is also continuing to work through the approvals process for its big Resolution underground mine in Arizona.

Mr Soirat said the characteristics of Winu, such as its relatively shallow depth and its location in Western Australia, meant it could realistically be developed before Resolution.

Rio’s work at Winu sparked a land grab across the Paterson Range, with around a dozen junior explorers taking positions in the province. Antipa Minerals, Sipa Resources and Encounter Resources are among the small companies with exploration ground in the area.

London-listed Greatland Gold has also made a promising discovery at its Havieron prospect elsewhere in the region and recently struck a joint venture with gold heavyweight Newcrest Mining, owner of the nearby Telfer mine, to step up exploration work.