

THE AUSTRALIAN

Rio Tinto eyes open pit starter mine at Winu copper find



Rio Tinto's Stephen McIntosh

• **NICK EVANS**

RESOURCE WRITER

-
- 1:00AM AUGUST 5, 2019
 - NO COMMENTS

Rio Tinto is trying to identify its first open pit at its Winu discovery in the east Pilbara after the company identified the find as a potential low-cost starter mine in a broader district.

While Rio has spent the past decade focusing on “tier-one” assets — massive multi-decade operations that can be mined in bulk, Rio’s innovation and

development boss, Stephen McIntosh, will flag a potential shift in strategy at Kalgoorlie’s Diggers & Dealers conference today.

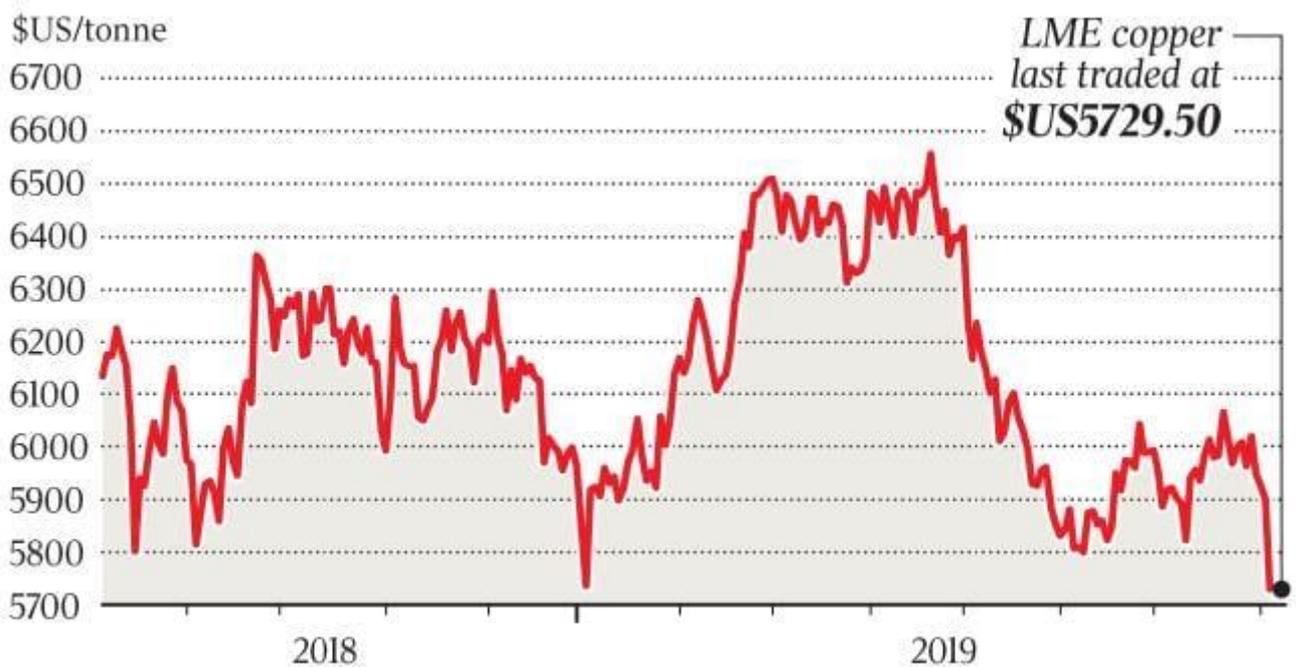
Mr McIntosh will tell delegates that Rio’s development strategy on Winu will be based on a project that is “bankable, relatively low capital and low risk”.

Rio has identified copper as its best growth option over the coming decade, and has primarily focused on growth from the block-cave development at its part-owned Oyu Tolgoi project in Mongolia.

But geotechnical issues have forced a rethink at Oyu Tolgoi, forcing further delays to the long-planned expansion, as well as a \$US2.2 billion writedown of its book value.

Last week Rio published the latest set of drilling results at Winu, in the east Pilbara region of Western Australia, describing the new data on 14 diamond drill holes and 28 reverse circulation drill holes as encouraging.

And while the early drilling results from the discovery indicate a deposit that could one day host a mine, analysts have questioned whether it will be a “Rio scale” discovery, suggesting it could eventually join many of the other discoveries identified by Mr McIntosh’s 400-strong exploration team, and be sold off to a smaller player.



Source: Bloomberg

But Mr McIntosh will today suggest Rio is planning to use the discovery as an opportunity to launch a hub to service other potential discoveries across the thousands of square kilometres of ground it holds in the region.

“Our tier-one assets of today didn’t all start life that way. It is important with Winu that we look for a case that is bankable, relatively low capital and low risk,” Mr McIntosh will say.

“As such, we are primarily focussed at defining a potential open pit starter case.”

“We are also undertaking significant enabling works as well as cultural heritage, environmental and related studies to progress the permitting and approvals process.”

Mr McIntosh also flagged the exploration team — which consists of 12 drill rigs and an airstrip servicing a 190-person camp — as a technology test case for Rio’s future exploration efforts.

“This project is not just all drilling. Technology will play a big part.,” he will say.

“We are hyperspectrally scanning all core and chips in the field to help us understand both the lithology and alteration and to assist in really nailing the mineralogy and metallurgy as soon as we can.

“We have high expectations that we will be using machine learning and sophisticated mathematical models to help us optimise the recoveries from any final flowsheets.”