

STOCKHEAD

Rio and Antipa approve big bump for Citadel budget

| Special Report

Rio Tinto has given another signal of its intentions for the Citadel joint venture with Antipa Minerals in WA's Paterson Province by agreeing to a huge increase in the 2021 exploration budget for the project.

In December, Rio Tinto and **Antipa (ASX: AZY)** **approved a budget of \$13.8 million for this calendar year for Citadel**, a +1,300km² parcel of land that hosts the Calibre and Magnum gold-copper deposits along with a number of other promising prospects and exploration targets.

But Antipa announced this morning that the partners would now spend \$24.5 million on Citadel in 2021, with

the expanded programme to include 6,000 to 7,000 metres of additional drilling (19,000 metres in total) to build on the existing resources.

“The recent increase in the Citadel JV’s 2021 budget is a testament to the joint venture’s strong belief in the potential of this project,” Antipa managing director Roger Mason said.

“The 2021 programme will be the largest yet and we look forward to continuing to advance the high potential Calibre and Magnum gold-copper resources as well as testing numerous greenfields targets.”

Calibre, which is approximately 45km from Rio Tinto’s much-hyped Winu discovery, has a Mineral Resource of 47.7 million tonnes grading 0.9 g/t gold and 0.15% copper for 1.3 million ounces of gold and 69,500 tonnes of copper.

While it hasn’t garnered the same sort of headlines, the deposit possesses characteristics that suggest it could enhance Rio Tinto’s development plans for Winu.

“There’s a very significant high grade component to the Calibre system so it’s that factor plus a couple of other contributing positives that are of interest to Rio with respect to what they’re doing over at Winu,” Mason said.

“Depending on where you are in the system, Calibre can be 20 to 30% higher grade than Winu.

“It’s got shallower cover by about 20m in general, it’s only under 80m of cover. It also doesn’t have any

significant oxide or supergene blanket at the top. So it's got a metallurgical recovery advantage over Winu, which has a fairly significant supergene copper blanket."

Included in the 2021 programme at Citadel will be a preliminary assessment of development options for Calibre.

One of the options expected to be looked at is establishing Calibre as a satellite mine providing additional feed to a central processing plant at Winu. Drilling has recently resumed at Citadel, with a reverse circulation rig testing multiple gold-copper targets in the Rimfire area before moving to the Boxer target, with a second RC due on site later this month.

A diamond rig also recently commenced drilling at Calibre, with a second diamond also due on site later this month.

The partners anticipate updating the mineral resource for the Calibre deposit soon, incorporating all drilling conducted since the maiden resource was announced in 2017.

Expenditure milestone met

Rio Tinto sole funded \$12.6 million of exploration work at Citadel in 2020, this amount brought Rio to within \$1.4 million of meeting the \$25 million expenditure milestone that would see its interest in the joint venture increase from 51% to 65%.

Antipa advised on Monday that Rio Tinto had earned

the additional 14% interest on 31 March and that it has until 30 April to elect whether to pro rata contribute to future joint venture expenditure to maintain its interest at 35%.

If Antipa elects not to co-contribute, Rio Tinto has until 14 May to decide whether to earn a 75% interest in the joint venture by spending a further \$35 million on exploration over three years.

If Rio doesn't commit to lifting its interest to 75%, Antipa will also be required to co-contribute to joint venture expenditure on a pro rata basis or dilute. Besides Citadel, Antipa has exploration joint ventures with major mining companies Newcrest Mining (2,200km² project) and IGO Limited (1,550km² project) in the Paterson and owns 100% of another 144km² of ground in the region.

Its 100%-owned Minyari Dome project contains a high-grade resource of 726,000 ounces of gold and 26,000 tonnes of copper split across the twin Minyari and WACA deposits, which lie within 35km of Newcrest's giant Telfer gold mine and processing facility.

Last week Antipa announced excellent results from a six-hole diamond drilling programme at Minyari Dome, with the company saying they confirmed the potential to significantly expand existing resources and making comparisons between the Minyari and Havieron deposits.

Starting soon, Antipa intends to undertake 6,000m of

diamond drilling and 15,000m of reverse circulation drilling at Minyari Dome in 2021, which will mark the largest ever exploration programme on the Project. The hungry 20Mtpa Telfer mill stands as an obvious processing option for the Minyari and WACA deposits but the company wants to demonstrate that they can also support a stand-alone operation with its own mill.