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## De Grey's latest corker a welcome spark for junior gold sector

*The junior gold exploration space was in need of a tonic in the wake of the recent wobbles in the gold price.*

[📅 28th August 2020](#)[✍ Barry FitzGerald](#)[Share Article](#)

The junior gold exploration space was in need of a tonic in the wake of the recent wobbles in the gold price.

And thanks to some spectacular results in the latest drilling by De Grey Mining (DEG), which is 16 per cent-owned by DGO Gold (DGO) from the Crow zone at its Hemi gold discovery in the Pilbara, the required tonic has arrived on cue.

A thick and high-grade intersection of 64m grading 13.4g/t gold from 141, including 19m at 42g/t from 170m, got the pulses racing again, with De Grey itself rising 11% to 98.5c for a market cap of \$1.05 billion.

Other results were not as spectacular but only because that would be asking too much. Still, 12m at 2.4g/t and 31m at 2.2g/t at relatively shallow depths in other holes into the Crow intrusion was itself exciting stuff as it contributes to the (open) mineralised footprint growing to by 400m to 1km.

“They demonstrate the potential for Crow to significantly add to the overall gold endowment at Hemi (multiple intrusives) and to meaningfully contribute to a potential large-scale, near-surface open pit production scenario,” De Grey said.

As recently as January, it was a 5c stock. So it's a 20-bagger, with more to come as De Grey works away at confirming the widely-discussed 5Moz world-class potential of Hemi.

Twenty baggers are more popular than 10-baggers so it was no surprise the punters went chasing juniors with exposure to the unfolding Pilbara gold story.

Kairos (KAI), which has just kicked off a 5000m program in the Pilbara, gained 5% to 4c. Golden State Mining (GSM) closed 1c weaker at 30c but has come up from 25c in recent days. Wildcat (WC8), which some reckon has its foot on the right sort of rocks, put on 13% to 5c.

The Hemi discovery has not only transformed De Grey from junior explorer to developer status, it has transformed the gold potential of the broader Pilbara region, currently better known as the world's biggest supplier of iron ore.

Hemi - located 60km south of Port Hedland - is a large-scale, near-surface, intrusion hosted gold deposit – a deposit style not previously identified in the Pilbara region. That's what makes the find particularly exciting.

## **RUMBLE RESOURCES (RTR):**

The best thoroughbred trainers always have multiple runners in the high-stakes races to improve the chances of a big win.

Rumble Resources (RTR) can be thought of in the same way, though it has two trainers – managing director Shane Sikora and technical director Brett Keillor.

Just as the best racing trainers move horses through the grades to sort out which in the stable have the best shot at having a big win, Sikora and Keillor have been busy in recent years putting a stable of low-cost pick-ups through the grades, ending up with a select few to put to the test with the drill bit.

The end result is that Rumble now has no less than five chances capable of pulling off a big win before the year is out.

The five potential high-impact gold and base metals projects can't all be winners. But having five going around, after making sure only the best of the discovery chances gets to parade on race day, certainly enhances the odds of success.

It is a strategy Sikora adopted about three years ago, with Keillor of former IGO fame brought in to provide the technical nous. It involves Rumble being highly critical in turning projects over and only filling the pipeline of opportunity with projects considered capable of resulting in discoveries.

The idea is that the strategy gives Rumble multiple avenues to discovery.

That is all taking shape now, with five projects due to be tested with the drill bit before the end of the year - Western Queen (gold), Fraser Range (nickel-copper-gold), Lamil in the Paterson province (copper-gold), Munarra Gully (gold-copper-silver-zinc) and Earaheddy (zinc-lead-silver).

A diary entry suggests results from a drilling program at Western Queen can't be far off now. Having said that, assays labs in WA are struggling to handle the flood of material that a \$A2,700/oz gold price has triggered.

So maybe in a few more weeks for Western Queen. It is a high-grade play and is being hit in a 12,000m drilling program by Rumble, the biggest in its history. It is looking to extend the known high-grade gold resource as well as identify new high-grade shoots along trend.

There is already a resource there and the drilling will get that into indicated classification, opening up the potential for a toll treatment deal with one of the four treatment plants owned by others in the area.

But based on previously reported results, there is the potential for Western Queen to shape up into something big enough for it to become a stand-alone operation.

The results will be worth looking out for anyway, remembering a similar story unfolded at Spectrum's Penny West ahead of Ramelius buying the show for \$230m.

The action at Western Queen is planned to be followed by Rumble's joint venture partner IGO starting a drilling program in the hunt for another Tier 1 discovery like IGO's Nova nickel operation and/or the AngloGold Ashanti/IGO Tropicana gold operation.

Then there is the plan by Rumble's joint venture partner in the Paterson province, AIC Mines, to drill at the Lamil copper-gold project area where a crop of shallow targets share similarities to Newcrest's Telfer gold-copper mine 30km to the east.

Rumble also plans to drill test its Munarra Gully project which includes the large-scale Amaryllis prospect. Drill testing of its Earaheddy zinc-lead-silver project is planned for the month of October.

So newsflow from Rumble before the year is out will be as good as it gets. It was trading at 16.5c (for five horses) on Thursday for a market cap of \$82m.

## **Canterbury Resources (CBY):**

Nice work by intrepid explorer Canterbury Resources (CBY) which trades at 9.5c for a market cap of \$9m.

It has just landed one of the biggest gold/copper "discoveries" made by an ASX junior in recent times, at a cost of next to nothing.

The “discovery” is the Idzan Creek and Wamum deposits inland from Lae in PNG and about 20km north-west of the Wafi-Golpu joint venture of Newcrest and South Africa's Harmony.

The broader Wamum project area has been the subject of exploration for the last 40 years or so by some big names-CRA/Rio Tinto, Highlands Gold, Barrick and Newcrest.

That lot left behind data from drilling programs at the Idzan Creek and Wamum prospects but it was left to little Canterbury-populated as it with seasoned geologists who have long and deep knowledge of the region-to pull it all together in maiden resource estimate.

Work on that got going in earnest after Canterbury in February lodged an application over the properties and the result was 2.2m ounces of gold and 288,000t of copper at Idzan Creek, and 500,000 ounces of gold and 281,000t of copper at Wamum.

Idzan Creek's grades are better than the life-of-mine grade at Cadia, Newcrest's money printing machine in NSW, but not as good as Wafi-Golpu. But they don't have to be given it is an open-cut proposition while Wafi-Golpu is an underground scenario.

The 100mt resource is open so thoughts about a 10Mtpa mining operation for some serious gold copper production are worth having, particularly if tiny Canterbury now attracts the interest of a mid-tier miner with ambition and deeper pockets.

Having said that, there is no getting away from the situation where but for a bridge across the creek, Idzan Creek and Wafi-Golpu would be neighbours.

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## Author Bio

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Barry FitzGerald has covered the resources industry for 30 years. The inaugural winner of the Diggers & Dealers Media Award in 2003, Barry is a committee member of the Melbourne Mining Club, a non-profit organisation formed to foster industry debate.

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