

ADVERTISING FEATURE

## Base metal projects



AuKing chief executive Paul Williams says the Koongie Park copper and zinc prospect is well serviced by an airstrip and local utilities.

# Exciting progress in WA copper prospect

When investors think of the country's best-known mining regions, they will easily recall Broken Hill or Mount Isa for base metals, Kalgoorlie for gold and Western Australia's famed nickel belts.

But in WA's far north-east, the lesser-known Halls Creek region in the East Kimberley is humming with activity as explorers latch onto the potential for a major new copper, zinc, lead or precious metals deposit.

Based on the Halls Creek Orogen geological structure, the region already boasts the Savannah and Copernicus nickel mines and Pantoro's Nicolson's gold project, while IGO Ltd sits on a swag of tenements prospective for nickel and copper.

Meteoritic Resources this month sold a Brazilian gold deposit for \$30 million, in view of focusing on its Palm Springs Gold Project south-east of Halls Creek.

Then there's AuKing Mining (ASX code AKN), which is furthering an active drilling program at its 75 per cent-owned Koongie Park copper and zinc prospect, 25 kilometres south-west of the town.

AuKing chief executive Paul Williams says while the region might be perceived as remote, it sits on the Great Northern Highway and with a population of about 1500, Halls Creek has a functional airstrip and is well serviced in terms of access to food, accommodation, water, internet and electricity.

"It's a fascinating area and a great place to be if you want to get a mine up and running," Williams says.

Covering 500 square kilometres on the 40-kilometre Koongie Park Formation, the tenements had been subject to significant – but

sporadic – exploration. With hints of cobalt, gold, silver and lead, molybdenum and platinum group metals, Williams describes the prospect as a polymetallic "liquorice allsort". Indeed, since the 1970s a procession of sweet-toothed explorers – including Kennecott, BHP and Shell – have drilled no fewer than 245 holes in the ground.

Previously known as Anglo Australia Resources, Astral Resources acquired the tenements in the mid-1990s and holds the remaining 25 per cent.

In June 2021, AuKing entered into a deal with Astral to earn a 75 per cent stake, in return for spending \$3 million over three years.

As it happened, the commitment was satisfied in less than a year, with the program resulting in the previous JORC-compliant resource being increased by 30 per cent.

Last month, AuKing embarked on a follow-on, \$1.5 million, 7500-metre drilling campaign over a six to eight week period, covering 25 to 30 reverse circulation and diamond holes on the main targets called Onedin and Sandiego.

Williams says some investors construed the company's earlier efforts as focusing on the known zones of mineralisation – and were disappointed.

"But we are targeting five or six key areas for extensions or new discoveries. We are not touching the existing ground at the moment," he says.

He says the geologists are hunting for mineralised shoots in the style of a volcanogenic massive sulphide (VMS) structure, similar to Sandfire's De Grussa copper-gold mine or 29 Metals' high-grade Golden Grove copper-zinc mine.

In its independent technical report, consultant CSA Global opined that while past exploration

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Paul Williams

was of sound quality, "it has not been exhaustive and significant opportunities remain for the discovery of more VMS-style mineralisation within the Koongie Park tenements."

The Geological Survey of Western Australia has deemed the Halls Creek Orogen the region's most prospective area for base metals.

Currently the Koongie Park resource (mainly indicated) stands at 8.9 million tonnes at 1.01 per cent copper, 3.67 per cent zinc, 0.16 grams per tonne gold, 32 g/t silver and 0.77 per cent lead.

While no provision has been made in the resource, recent cobalt and molybdenum discoveries will be included after further drilling. The company expects to announce the results from the first holes by early August.

On the funding front, AuKing last month was caught in a market downturn that resulted in a

\$3.5 million rights issue falling short by about \$3.1 million. However, the rights issue followed a successful \$3.6 million placement, with the proceeds earmarked to progress exploration at Koongie Park.

The upshot is the current joint venture arrangement stands, with Astral obliged to continue to fund 25 per cent of the ongoing exploration costs or else dilute its ownership.

"We actually will pop out the other side of this raising exercise in pretty good shape," Williams says. "All up, we have \$4.5 million in the bank, which will cover our drilling program as we head into uncertain market conditions."

He says an eventual mine plan is likely to be based around open-pit production at the shallow Onedin, leading to the deeper Sandiego being accessed.

Funded by an Ausindustry research and development incentive grant, the company is experimenting with an ammonia-based leaching technique to replace the use of acids (typically sulphuric acid).

It's hoped that as well as being more environmentally friendly, the technique will be more suitable for Onedin's tricky metallurgy.

Meanwhile Williams says there's no better time to be hunting for significant copper deposits, given every electric vehicle requires a whopping 54 kilograms of the material.

"There's no better time to be looking for the red metal in one of Australia's most prospective jurisdictions," he says. "That's especially the case given the significant presence of other base metals as well as gold and silver."

## A growing copper-zinc resource in the prolific Halls Creek region, Western Australia.

2021 drilling program at Koongie Park Project grew JORC resource by 30% and returned multiple drill targets for 2022.



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