I was most impressed by the standard and content of those presentations given today on new or developing gold orebodies in Australia and Africa.

Imagine completing a trenching program near Broad Arrow, driving back down to Kalgoorlie – to the Federal Hotel and yelling over the bar to your mate Chris Bonwick – “Hey Chris, Terry Wheeler has just sent me the results from the first trench – 206 metres at 8.9 g/t gold true width (the Morila situation). All hell would break loose and within a week Kalgoorlie would be flooded by juniors anxious to get a piece of the action; double the number of skimpies – all the good things! It is patently obvious that in the still active lateritic environment of West Africa the geochemical expressions of orebodies are far more robust than their terribly subtle counterparts in the Yilgarn of Western Australia. We here have to be extremely clever detectives making the best and most financially logical exploration attacks on these discrete clues. Lead in to the Marymia gold discoveries of Resolute, whose exploration I ran in the discovery years a decade ago, were very occasional costean results of 1 metre at 1 gram/tonne, numbers which in West Africa would rarely lead to anything significant.

Our newspapers are currently reporting many mergers between both local and international mining/exploration outfits, the effect of which is to create metal banks. The endowments in these will be mined if and when appropriate. There is certainly no sense of urgency to mine sooner than later – a bad sign for the exploration industry.

Exploration worldwide has been a failure in general terms over the past decade, certainly in terms of discovery of world-class deposits, and, in Australia in terms of deposits of any size these past two years. Only 5 of the 16 papers being delivered at this conference relate to Australian discoveries which points to the local discovery drought. And of those 5, only two were made in the past two years (Raleigh and Frog’s Legs).

Sadly for our industry, mineral exploration is currently regarded by the financial industry as a poor risk. And obviously, it is this lack of success which has caused exploration budgets to fall particularly when so many of our mining/exploration companies of all sizes are currently controlled by the odious bean counters.
The merged major outfits are largely pursuing the zombie approach of brownfields exploration near their existing infrastructure. This invariably leads to extraction of smaller, lower grade and progressively more distant deposits to extend the useful life of that infrastructure. Really new discoveries from this approach are rare and result only when extraordinary persistence is demonstrated by both financial and geological personnel – as at Raleigh.

One point of relief emerging is that a number of majors are forming liaisons with small lean outfits who are perceived as being focussed and efficient explorers who have a greater affinity with the rocks and actually get into the field to ground truth their anomalies or models at a very early stage in a program.

It has been refreshing to see the astounding response on the stock market to Minataur’s Mt. Woods Inlier intersection in South Australia. It proves there are still a lot of punters out there who are prepared to have a go at a good simple story of discovery. I believe it generates so much more adrenalin in the punters than current interest rates or the mumbo jumbo of the battles of the Titans – Normandy/Anglo/Newmont, or Alcoa/WMC (etc).

This brings me to my next point that one of the end points of both the merging and the brownfields grazing habits of the Titans is the spitting out of loads of exploration staff onto the fairly barren ground. We all have peers and associates who for no fault of their own have recently copped the pink slip and joined the ranks of consultants/contractors, translation – unemployed. But I note a very bright spot on the horizon, at least in Perth in the last year. That is the formation of a number of private companies staffed by collections of ex senior geologists from many of the Titans. With quite modest seed capital these people are engaged in absolutely superb new project identification and title acquisition utilising their collective years of valued experience; by utilising the increasingly available and inexpensive geophysical surveys carried out by the various State Governments; by geochemical databases; and by analysing the mass of data being generated and released by CSIRO and the Universities. Then, and very importantly, by getting out into the field to hit the rocks and map them. Remember geological mapping? Exploration companies used to carry this out as a routine and essential aspect of the detective exercise IN THE FIELD. I despair at the number of geologists who spend excess time in the air-conditioning playing computers. A number of the new small groups will, I believe, float publicly in the next 12 months and, given a half reasonable market at the time, should do well. This has to represent the Clever Australia in action from a scientific point of view, rather than the Dumb Australia which is the brownfields fixation.

The search for new orebodies has frequently been stifled, I believe, by personnel adhering to rigid orebody models which dictate where or where not an orebody should occur. Not two orebodies are the same. They all have their eccentricities and you have to sniff around these similarities and dissimilarities looking for the critical features. Often careful field observations reveal all – or that the model is
inapplicable. Sometimes this comes about from realisation that the existing published or open file geology of the target area is imprecise or incorrect.

One of the really dangerous generalisations in our business is the great Arsenic halo commandment whereby a gold belt is typified by presence, or absence, of arsenic accessory to the gold mineralisation. I cite the Marymia greenstone belt extending from the Plutonic Mine at the SW end to the Marymia deposits at the NE. The virgin Marymia deposits, discovered by Resolute staff in the late 80’s and early 90’s lay in a variety of Archean host rocks and arsenic content varied wildly. Keillor 1 deposit, found by Brett Keillor in a sandwich of mylonite, mafic and ultramafic after a great detective exercise, contained only a sniff of arsenic. Keillor 2, found subsequently by John Ikstrums along strike was arsenic deficient and lay in shears in a mafic host. A further ten kilometres along strike Keith McKay’s group at Battle Mountain had found Triple P on a porphyry – mafic contact. This deposit which Resolute subsequently bought and mined, contained enough arsenic in it to sort out the whole of Afghanistan overnight.

The other memorable lesson from the exploration at Marymia was that, for the explorationist, an intersection in the order of 1 metre at 1g/t gold in a costean or RAB hole could be the vital clue – the lead in to the orebody. Thunderbox demonstrates this perfectly – particularly when geophysical responses are negative or ambiguous. Sadly we frequently hear mine geologists describing a peripheral assay of 1m at 1g/t gold as a low-grade stringer in waste – when in fact they may be overlooking a vital clue to the next orebody.

A concluding point of slight cynicism by me directed at the slick computerised data industry.

How long since you’ve visited the ASX library to view hard copy (or CD’s) of annual and quarterly reports of, say, Blue Sky Mining N.L. which rose and set in the 1980’s? I recently carried out such an exercise as part of a project selection exercise for a client. I was told by the ASX staff that they hadn’t kept such material for years – a bit like the line from the song “Hotel California” i.e. “We haven’t had that spirit here since 1969”. The gentleman suggested I try Dymock’s (for God’s sake!) or that the State Library of NSW might be able to help. I then tried ASIC who said sure – we keep it – in GIPPSLAND but you must write there to request access. I subsequently found that the Battye Library in Perth keeps some of this material.

So – don’t throw out those quarterly or annual reports or prospecti folks, particularly of defunct mining and exploration companies as in this case the electronic data industry seems to be the enemy. Perhaps old buggers like me are the most easily accessible references on historical exploration!
I wish you all a number of initial 1m of 1g/t first pass shallow RAB holes in 2002. Give them every possible respect so they may lead you to the orebody possibly lurking nearby.

Ross Kennedy
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