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Compelling case made

There are a number of good reasons why Anchor Resources Ltd is not keen to let itself be taken over by China Inc.

And, for the time being at least, most of them relate to the junior's Bielsdown antimony project in north east New South Wales, where it is looking to quickly double the resource of its main Wild Cattle Creek deposit to over 2 million tonnes in order to initiate a prefeasibility study.

During the December quarter the NSW-based exploration house was the subject of an unsolicited takeover proposal put on the table by China Shandong Jinshunda Group Company Ltd via its wholly-owned Australian subsidiary Sunstar Capital Pty Ltd.

For Anchor, the move highlighted the strategic importance and attractiveness of its assets – especially Bielsdown, which has become the junior's main development priority.

Not surprisingly, the company has told its shareholders to take no action until its board has evaluated the offer and issued its recommendation.

Located 40 kilometres west of Coffs Harbour (and some 80 km or so from Straits Resources Ltd's currently closed Hillgrove antimony-gold mine), Bielsdown lies within the prospective New England Fold Belt and has a resource in excess of 1 million tonnes grading 1.77% antimony (using a 0.5% Sb cut-off grade).

The Wild Cattle Creek deposit was initially discovered and mined back in the 1880s, with further drilling and some sporadic extraction taking place on site during the 1960s-90s.

Today there is a shallow, 300 metre long open pit along the surface expression of the ore body. Thirty metres beneath this runs an adit.

In addition, the site has a headframe and shaft, which goes down to 165m and was put in shortly before operations were ceased during the early 1970s.

At the end of January, Anchor announced it planned to not only double Wild Cattle Creek's resource, but also test the extent and continuity of a high grade shoot discovered in

late 2010.

This new zone, the company said, included an intercept of 1.4 metres at 17.1 Sb and 2.2% tungsten and was interpreted to be sub parallel to the main breccia mineralisation.



Trevor Woolfe

In addition, during 2010 Anchor successfully expanded the resource down plunge and confirmed high grade results from historical drilling via a 12 hole drilling campaign (RC with diamond tails).

Anchor managing director Trevor Woolfe said the work conducted by the junior's technical team over the past two years had resulted in a high level of confidence in the geological model being tested at the Wild Cattle Creek deposit.

As a result, the antimony rich system was interpreted to have a shallow plunge to the west and remained open down plunge.

"The mineralisation – which included previously undetected tungsten and gold – was extended down plunge ... and from which true widths of up to 22m were returned," Woolfe explained.

"Now this is significant because the other two antimony deposits in Australia – Costerfield in Victoria (owned by the TSX-listed Mandalay Resources Corporation) and Hillgrove – are generally in the 1-3m thickness range. Our deposit is averaging over 5m and, in some places, has up to 22m true width."

From the recent drilling a new high grade antimony-tungsten zone, located only 30-40m to the north of the main zone, was discovered.

Anchor also investigated a couple of targets (Fletchers and Jezebel) along Wild Cattle Creek's 6 km strike length.

In a missive to shareholders issued during mid January, Woolfe said investors should take all of this upside into account when considering Jinshunda's proposal.

Mark Fraser



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