

Gold marks the spot for Altan at multimillion ounce Southern Cross

MiningNews.Net article by [Michael Quinn](#)

AUSTRALIAN-infused, Canada-listed company Altan Rio has strong ambitions for high-grade gold exploration success and mining from the low profile, largely overlooked multimillion-ounce Southern Cross goldfield in Western Australia.



Altan CEO Paul Stephen sees a great gold opportunity at Southern Cross, WA

Led by experienced ASX resource sector executive Paul Stephen, the former Mongolia-focused Altan arrived on the belt 240km west of Kalgoorlie last year and is now set to enter a big period of exploration and newsflow.

And possibly some early cashflow next year too!

The company got its ground from a private company of which Altan director and successful WA gold exploration and mining stalwart John Jones is a part.

Jones' history in the area dates back 3-4 decades and includes the historical Pilot mine that is a promising early target for Altan.

Pilot could be the early cash generator.

Jones' Troy Resources developed the shallow open pit at Pilot in the low gold price-1990s as a toll treating exercise just as it was exiting the field for a new focus at Sandstone about 350km to the north where it had its own mill.

Ounces remain at Pilot and Altan and the owner of the nearby Marvel Loch mill, Chinese company Minjar Gold, already have an agreement in place to go 50:50 on the cash generated by a future mining and processing venture.

How many ounces there are is the question, with hits such as 27m grading 4.4 grams per tonne gold and 6m at 8.5gpt speaking to the potential.

There are also ounces in the Altan 100%-owned low-grade (believed to be potentially 1-1.5gpt) stockpile adjacent to Pilot.

Again, it's just a matter of how many, with the pathway for monetising clear.

An investor site visit hosted by Altan this week (featuring high net worth and institutional types), included a stop at Marvel Loch, where the appetite for third party ore feed was confirmed.

Minjar is spending big cash installing a new crushing circuit at the old processing operation, and with capacity north of 2 million tonnes per annum, the miner is now busy on the exploration front and evidently welcoming of third-party ore providers.

Critically, all pointers are Altan and Minjar have a good relationship.

Meanwhile, the potential for Altan having exploration success at Southern Cross has a number of facets.

Firstly, the ground in the region is clearly well endowed given a production history of more than 12 million ounces from excellent grading mineralisation

And the vast bulk of that production has come on a shear structure striking circa 30km north-northwest of Southern Cross to the tiny outpost of Bullfinch - where the 1.5 million ounce Copperhead mine currently bookends the north.

Mines over the years have apparently regularly popped up every few kilometres on this granite contact, with Altan's ground package covering about 27km of the shear.

Some of the contact zone occurs under salt lakes and some on ground where previous explorers had promising early results but were denied entry by farming landholders.

Neither scenarios are roadblocks for Altan, with access agreements in place and salt lake exploration/drilling not an issue these days.

Altan's exploration is also taking in a previously unrecognised/unutilised vectoring strategy at Southern Cross, with pyrrhotite associated with gold mineralisation in the belt meaning modern EM surveying could be an important targeting tool.

On this score Bill Amman of hugely successful geophysics firm Newexco is in the frame.

In sum, Altan targets take in both extensions to old mines and new greenfield targets, with the historical field featuring very limited drilling below 50m at Altan's "southern" tenements and untested deep targets to the north.

With regards the former, obvious analogies are seen with the recent big success Spectrum Metals had below and adjacent-to the old Penny West mine further to the north.

Spectrum was subsequently acquired by highly efficient gold miner (and aggressive corporate), Ramelius Resources, in a plus-A\$200 million transaction.

And on this score, it shouldn't be overlooked the second big mill within trucking distance to Altan's ground is Ramelius' Edna May - also a big, hungry processing plant.

Meanwhile, an ASX listing for Altan is on the cards, with the market position in Toronto to be retained.

The ASX timing is still to be determined.

But the key elements should attract.

Namely a tight capital structure/low capitalisation (recently about C\$10 million), high-grade, advanced targets in an overlooked, prolific goldfield - with the private companies that have been

active in the region in recent times typically focused more on cash than drilling - and new, modern exploration eyes combined with local knowledge.

Altan's keenness to self-fund exploration will also prove appealing.