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Transition sees Cloncurry's bright copper future

TOM PARKER

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Transition holds more than 1100 square kilometres of exploration and mining tenements in the Cloncurry region.

Transition Resources has spent just over four years exploring the highly prospective Cloncurry copper region near Mount Isa. The investment recently paid off with the company unearthing a rare copper discovery.

Cloncurry is historically one of Australia's richest areas for base and precious metals production. That's why it was a surprise to Transition Resources when it began acquiring ground in the area in 2017 only to discover that many tenements sat uncontested.

Cloncurry, along with Mount Isa, sits within the North West Minerals Province (NWMP) in Queensland.

Transition now boasts more than 1100 square kilometres of highly prospective exploration and mining tenements in two project areas east and west of Cloncurry.

Transition founder and managing director David Wilson said the company's initial strategy was to take a closer look at some of the unique geological prospects in the region, in hopes of identifying new deposits such as its Success cobalt mine, which has yielded ore at up to 50 per cent cobalt.

"The Cloncurry district – and the NWMP more generally – is a highly attractive exploration destination for a range of metals including rare earth elements, critical metals, base metals, precious metals, and actinides," he told *Australian Resources & Investment*.

"However, the NWMP still remains remarkably underexplored and significant exploration opportunities exist."

Transition's investment into the region paid off when the company unearthed significant copper and gold deposits in its new turf.

Wilson said that while Transition had many project opportunities, it was currently focused on a handful of its advanced prospects in the region.

The Highway project in west Cloncurry is a 750m-long zone of high-grade gold with significant by-products of tungsten, cobalt, and rare earths.

"We subsequently linked the Highway project to a 21km-long gold-rich mineral system which was previously unknown to the region," Wilson said. "This is likely to host swarms of deposits similar to the Highway discovery."

Transition has experienced plenty of exploration success in the Cloncurry region.

Transition now plans to progress the Highway discovery towards a decision to mine.

The company also owns a number of tenements around Duck Creek in the NWMP, many of which have yielded exciting copper discoveries.

“Our Duck Creek tenements include some of the most densely mineralised areas of the Mount Isa Inlier,” Wilson said. “We’ve identified over 550 historical prospects and dozens more are being identified every year as we continue exploration.”

Though Duck Creek has historically been heavily explored, prior drilling was quite limited and typically localised to just a handful of prospects.

“The historical view has been that Duck Creek mineralisation is shallow, so earlier explorers drilled very few holes below 50m from the surface,” Wilson said. “Our recent drilling efforts have intersected high-grade copper sulphides as deep as 280m, and it remains open at depth.

“But our most important zones have been intersected at depths less than 200m below surface, which offers cheaper open-pit mining options. The average copper grades so far are roughly double those of most undeveloped copper prospects in Cloncurry.”

Internal modelling indicates the resource scale at Cloncurry is already enough to support a hub-and-spoke, mine-and-haul development model. But Transition believes its exploration results so far provide evidence of a more substantial system at depth.

Wilson said there was a lot more to its recent Duck Creek discovery than just luck.

“Transition’s success follows four years of exhaustive research and development,” Wilson said. “We are now converting this new knowledge into commercial opportunities.”

The Duck Creek discovery hasn’t changed Transition’s plan moving forward. Instead, it’s cemented the company’s existing strategy.

“Our plan from the outset has been to define sufficient shallow sulphide resources to support near-term mining at the Duck Creek tenements,” Wilson said.

“The new copper discoveries mean that Transition should soon be able to define mineral resources that will support mine planning.”

Transition has also identified a 250m-long zone of shallow, high-grade rare earth elements (REEs), including high-grade magnet REEs, from drilling at the Toolebuc prospect in its east Cloncurry tenements.

“Mineralisation at Toolebuc remains open and the system is not yet understood,” Wilson said.

“Geophysics has identified a large, 2km-wide conductive anomaly that aligns with a circular magnetic anomaly immediately east of the identified REE zone. These represent immediate ongoing drilling targets.”

Transition is exploring for a range of commodities in the Cloncurry region, including gold, copper and rare earths.

Wilson said as one of Australia's largest copper-producing regions, Cloncurry has an important role to play in global decarbonisation.

This has seen the region become a hotbed for consolidation, with recent deals including Evolution Mining buying the Ernest Henry copper-gold mine from Glencore, Harmony Gold's acquisition of Copper Mountain's Eva copper project and Aeris Resources' acquisition of Round Oak Minerals.

"Cloncurry has a rich history of copper production which has ebbed and flowed in concert with commodity cycles for more than 120 years," Wilson said.

"As the global investment community embraces the link between copper and a low-carbon future, producers are wondering how they will meet future demand."

Wilson said the looming copper supply squeeze, along with Glencore's recent copper divestments, were creating opportunities for smaller explorers in the region.

"We're seeing small to mid-tier groups positioning for future growth, each wanting to be the next big copper producer," Wilson said. "There are larger groups like Evolution, Harmony Gold and Aeris moving into the area through acquisitions.

“This is happening because organic growth – such as through the discovery of new deposits – is no longer a reliable business model. New discoveries are getting harder, which is what makes our Duck Creek and Highway discoveries so exciting.”

As it stands, Transition has 50 shareholders (12 of whom are staff) and a current market capitalisation of $55 million. The fact most staff are also shareholders speaks to the company’s commitment and passion.

“Everyone here is fully invested in the company’s success for the sake of its shareholders,” he said.

With hundreds of prospects yet to be tested, including multiple targets identified at depth, as well as a handful of bountiful discoveries, Transition has an exciting pipeline of projects in the Cloncurry region.

And the company has even hinted at a potential ASX listing either late this year or early next.

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