

Impact Minerals

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Impact's Dr Mike Jones details technical review of Pilbara conglomerate-hosted gold in Proactive Q&A Sessions™



Dr Mike Jones speaking with investors recently

Impact Minerals Ltd (ASX:IPT) remains a front runner in the new gold rush in the Pilbara, and is progressing applications for nine exploration licences.

The licenses cover 1300 square kilometres and are prospective for Witwatersrand-style conglomerate-hosted gold.

To tell us more, we are joined exclusively by the company's managing director, Dr Mike Jones.

Proactive Investors: Welcome Mike.

Proactive Investors: First of all, with the new gold rush in the Pilbara, can you provide a technical view of what is conglomerate-hosted gold?

Dr Mike Jones:

Conglomerate is a type of sedimentary rock comprising coarse grained pebbles and fragments ("clasts") of older rocks that have been transported as sediment in rivers and deposited either in the river bed itself, associated floodplains or on beaches and in oceans as the rivers drain into the sea.

The recent gold rush in the Pilbara is related to the discovery of extensive horizons of very ancient conglomerate up to nearly 3 billion years old that contain both coarse nuggets of gold as well as finer grained gold particles in the matrix between the larger pebbles and nuggets.

It is now evident that these particular nuggets were part of the ancient conglomerate and are thus also nearly 3 billion years old.

This is a very important break-through because most gold nuggets found in the Goldfields of Western Australia were formed far more recently, probably within the last few million years.

This is where some confusion still exists in the minds of investors: there are nuggets and nuggets!

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The 3 billion year old nuggets have a distinctive shape and edges to them and this is where the phrase “water melon seed nugget” has come from.

Most of the nuggets are a similar shape but commonly larger than the average watermelon seed.

It is commonly believed that the nuggets must have come from gold-bearing veins in the areas from which the other pebbles and fragments in the conglomerate came from and given the Pilbara has a relatively small gold endowment compared to say the Kalgoorlie gold fields.

People have believed there was insufficient gold to form a major conglomerate hosted deposit similar to the giant Witwatersrand goldfield of South Africa, to which the discoveries in the Pilbara are being compared.

However, this is a misconception.

My PhD studies looked at the formation of gold deposits in a small sedimentary basin of the same age as and just to the north of the Witwatersrand basin.

This work showed that gold was also being introduced to the basin in hot geothermal fluids and that there was a complex interplay between formation of gold in the conglomerate and reworking of that gold within the basin itself.

Work by Novo Resources President Dr Quenton Hennigh has also shown that much of the gold in the Witwatersrand Basin was associated with the growth of algal mats and related to early oxygenation of the world's oceans.

This event led to deposition of gold in the algal mats which were also subsequently reworked to form nuggets.

Combined this work demonstrates that a large source area for gold nuggets is not required and I have to say I am quite amused by some of the uninformed opinion I have seen on the web concerning the source of the nuggets and the limitation this places on the exploration potential.

Proactive Investors: Where else in Australia, and around the world, has this style of geology been identified, and where is it being mined?

Dr Mike Jones:

Of course, the Witwatersrand Basin is by far the dominant gold field in the world and has produced at least 1.5 billion ounces of gold since its discovery in the late 1800's.

There has been much exploration to find equivalents in Brazil and India in particular but to date apart from some small occurrences few other significant mines have been discovered.

What we can say is that a new Witwatersrand has yet to be discovered in the Pilbara.

The Witwatersrand basin is a pile of sedimentary rocks nearly 7 kilometres thick and the best gold occurs in the middle and upper parts of the sequence.

So far only narrow conglomerate units at the base of the sequence have been discovered.

The great hope is that the basin will thicken at depth.

Another important difference is that only about 40% of the gold in the Witwatersrand is coarse nuggets.

The remainder is fine grained gold mostly associated with so-called “carbon leaders”, interpreted as possible algal mats.

This material contains the super high grades of gold commonly in excess of 1,000 g/t in narrow layers and lenses often only a few centimetres thick.

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These have yet to be found in the Pilbara.

Proactive Investors: Moving now to Impact's position in the Pilbara, what applications do you have in place, and how are they progressing?

Dr Mike Jones:

Impact only became aware of the Artemis Resources Ltd (ASX:ARV) / Novo Resources Corp discoveries mid-year but quickly recognised the potential significance of the discovery because of the nature of the nuggets.

It is not only the shape of the nuggets that was significant but also the edges of them with some clearly having toroidal forms, typical of nuggets in the Witswatersrand.

I'm not doing all the work for your readers and so they can Google that term themselves!

We were able to peg 1300 square kilometre of ground in the East Pilbara probably two months before the big rush started.

These licences are now about to go through the statutory advertising process for Native Title objections with likely grant to be in the second quarter of next year.

We can however do reconnaissance work on the licences in the meantime and we will shortly be heading north for our first field visit.

It is clear from pre-existing exploration that there are gold-bearing conglomerates on our ground and that is very exciting.

We are compiling all of that data at present.

Proactive Investors: With this footprint in one of the hottest exploration post codes in Australia, have you attracted interest from partners or investors?

Dr Mike Jones:

The interest has been significant, not just from Australia but also overseas.

We are still very focussed on our emerging gold-silver discovery at Commonwealth in New South Wales and we are due to recommence drilling there within the next few weeks.

Given the exciting potential of that project to deliver a major discovery we will continue to focus on that whilst building up the story in the Pilbara and waiting for the licences to be granted.

We are always open to discussions with potential partners of course for all of our projects.

Proactive Investors: Thank-you Mike.

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