Metals X Limited - Biannual Estimate of Mineral Resources; Strong Metal Inventory Increases

11.03.2014 | ABN Newswire

Perth, Australia (ABN Newswire) - The board of Metals X Ltd. (ASX:MLX) is pleased to advise that its biannual estimate of Mineral Resources and Ore Reserves within its Tin Division has continued to expand the Company's dominance in the Australian tin industry.

In particular, an increase of 21.8% in Total Mineral Resource at the 50% owned Renison Mine was achieved. The Total Mineral Resource at Renison now stands at 11.5 million tonnes grading 1.65% tin making it one of the largest known single mine resources of tin in the world today and reaffirming Renison's status as a world-class tin mine.

The biannual estimate of Ore Reserves resulted in a 43% increase for the Renison Mine as mining studies were completed on the newly added resources over the past year. The updated Total Ore Reserve for the Renison mine is 5.51 million tonnes grading at 1.38% tin, equating to nearly eight years of current plant capacity.

Metals X CEO, Peter Cook said "This is a great result for the Renison Mine which positions the operation for long term sustainable production. The Renison mine is in the best position in three decades from a resource and reserve inventory perspective which vindicates the intensive exploration strategy taken by the joint venture partners over the past three years."

"Renison is Australia's only operating tin mine and Metals X is Australia's only significant tin producer. The size and quality of its tin inventory and the continually expanding copper co-product inventory at both Renison and the planned Rentails (tailings re-treatment project) expansion project leaves us few peers as a western-world publicly listed tin producer."

Summary of Material Information

The information in this report relates to the Renison Bell Tin Mine (50% MLX). As per the 2012 JORC reporting guidelines, a summary of the material information used to estimate the Mineral Resource is as follows. A more detailed description is contained in Table 1 in link below.

Drilling / Informing Data

The bulk of the data used in resource calculations at Renison has been gathered from diamond core. Three sizes have been used historically NQ2 (45.1mm nominal core diameter), LTK60 (45.2mm nominal core diameter) and LTK48 (36.1mm nominal core diameter), with NQ2 currently in use. This core is geologically logged and subsequently halved for sampling. Grade control holes may be whole-cored to streamline the core handling process if required.

Each development face / round is horizontally chip sampled at Renison. The sampling intervals are domained by geological constraints (e.g. rock type, veining and alteration / sulphidation etc.). Samples are taken in a range from 0.3m to a maximum of 1.2m.

All data is spatially oriented by survey controls via direct pickups by the survey department. Drillholes are all surveyed downhole, currently with a GyroSmart tool in the underground environment at Renison, and a multishot camera for the typically short surface diamond holes.

Drilling in the underground environment at Renison is nominally carried-out on 40m x 40m spacing in the south of the mine and 25m, x 25m spacing in the north of the mine prior to mining occurring. A lengthy history of mining has shown that this data spacing is appropriate for the Mineral Resource estimation process.

Sampling / Assaying

Drill core is halved for sampling. Grade control holes may be whole-cored to streamline the core handling

process if required.

Samples are dried at 90°C, then crushed to <3mm. Samples are then riffle split to obtain a sub-sample of approximately 100g which is then pulverized to 90% passing 75um. 2g of the pulp sample is then weighed with 12g of reagents including a binding agent, the weighed sample is then pulverized again for one minute. The sample is then compressed into a pressed powder tablet for introduction to the XRF. This preparation has been proven to be appropriate for the style of mineralisation being considered.

QA/QC is ensured during the sub-sampling stages process via the use of the systems of an independent NATA / ISO accredited laboratory contractor.

Geology / Geological Interpretation

Renison is one of the world's largest operating underground tin mines and Australia's largest primary tin producer. Renison is the largest of three major skarn, carbonate replacement, pyrrhotite-cassiterite deposits within western Tasmania. The Renison Mine area is situated in the Dundas Trough, a province underlain by a thick sequence of Neoproterozoic- Cambrian siliciclastic and volcaniclastic rocks.

At Renison there are three shallow-dipping dolomite horizons which host replacement mineralisation. The Federal orebody Mining has occurred since 1800's providing significant confidence in the currently geological interpretation across all projects. No alternative interpretations are currently considered viable.

Geological interpretation of the deposit was carried out using a systematic approach to ensure that the resultant estimated Mineral Resource figure was both sufficiently constrained, and representative of the expected sub-surface conditions. In all aspects of resource estimation the factual and interpreted geology was used to guide the development of the interpretation.

Renison has currently been mined over a strike length of >1,950m, a lateral extent of >1,250m and a depth of over 1,100m.

Database

Drillhole data is stored in a Maxwell's DataShed system based on the Sequel Server platform which is currently considered "industry standard".

As new data is acquired it passes through a validation approval system designed to pick up any significant errors before the information is loaded into the master database. The information is uploaded by a series of Sequel routines and is performed as required. The database contains diamond drilling (including geotechnical and specific gravity data), face chip and sludge drilling data and some associated metadata.

Estimation and modelling techniques

All modelling and estimation work undertaken by Bluestone is carried out in three dimensions via Surpac Vision.

After validating the drillhole data to be used in the estimation, interpretation of the orebody is undertaken in sectional and / or plan view to create the outline strings which form the basis of the three dimensional orebody wireframe. Wireframing is then carried out using a combination of automated stitching algorithms and manual triangulation to create an accurate three dimensional representation of the sub-surface mineralised body.

Once the sample data has been composited, a statistical analysis is undertaken to assist with determining estimation search parameters, top-cuts etc. Geostatistical analysis of individual domains is undertaken to assist with determining appropriate search parameters. Which are then incorporated with observed geological and geometrical features to determine the most appropriate search parameters.

Grade estimation utilising the ordinary kriging method. By-product and deleterious elements are estimated at the time of primary grade estimation.

The resource is then depleted for mining voids and subsequently classified in line with JORC guidelines utilising a combination of various estimation derived parameters and geological / mining knowledge.

Estimation results are validated against primary input data, previous estimates and mining output. Good

reconciliation between mine claimed figures and milled figures is routinely achieved.

Tonnage estimates are dry tonnes.

Cut-Off Grade

The resource reporting cut-off grade is 0.7% Sn at Renison based on economic assessment and current operating and market parameters.

Metallurgical and Mining Assumptions

Mining assumptions are based upon production results achieved in the currently operating Renison underground mine. The current underground mining methods employed at Renison are considered applicable to the currently reported resource.

Metallurgical assumptions are based upon a significant history of processing Renison material at the currently operating Renison Concentrator. Supported by an extensive history of metallurgical test-work.

Classification

Resources are classified in line with JORC guidelines utilising a combination of various estimation derived parameters, the input data and geological / mining knowledge. This approach considers all relevant factors and reflects the Competent Person's view of the deposit.

In general Measured material has been operationally developed, Indicated material is drilled to 40m centres in the south of the mine and 25m centres in the north of the mine, while Inferred material is drilled at greater spacings.

Metal Price Assumption

Reserve Estimates use a metal price of A$25,000 per tonne and cost analysis at current operating parameters.

To view Table data, please visit:
http://media.abnnewswire.net/media/en/docs/76737-ASX-MLX-670354.pdf

About Metals X Limited:

Metals X Ltd. is a diversified explorer and developer of minerals and metals. It owns a royalty portfolio generating revenue from sales of nickel at third party operations. The Company's activities span brownfield exploration and production from its development and mining projects.

Metals X performs greenfields exploration in its own right and through investment in other exploration companies. During the fiscal year ended June 30, 2008, its principal activities exploration for and the mining, treatment and marketing of tin concentrate in Australia; exploration for nickel in Australia; exploration for phosphate in Australia; development of nickel projects; development and construction of tin mine projects; the ownership of nickel mining royalty rights, and exploration for precious and base metals through significant shareholdings in Westgold Resources Ltd. (Westgold) and Aragon Resources Ltd. (Aragon). On July 30, 2007, the Company acquired a 12.8% interest in Aragon.

Contact:

Metals X Ltd.
Peter Cook, Executive Director & CEO
e: peter.cook@metalsx.com.au

Warren Hallam, Executive Director
e: warren.hallam@metalsx.com.au