

South32 inks JV with Superior Resources for zinc project

🕒 May 29, 2019 📁 News 👤 Alex Gluyas

Superior Resources has signed an earn-in and joint venture (JV) agreement with South32 to advance exploration at its Nicholson zinc project in northwest Queensland.

The junior company will operate the JV over two stages, with South32 to fund an initial \$2 million or 4000 metres of drilling within the first 12 months of operations.

South32 may elect to proceed with stage two by sole-funding a further \$4 million on exploration within the following four years to earn a 70 per cent interest in the project.

A potential stage three would allow South32 to earn an additional 10 per cent interest in the JV project by electing within six months after the completion of stage two to commence and sole fund a pre-feasibility study.

The Nicholson project is within the highly prospective Carpentaria zinc province, which contains around 20 per cent of the world's zinc inventory.

At least five large geophysical targets have been identified for the project, with only one target previously being subjected to exploration drilling.

Superior's managing director Peter Hwang is optimistic about advancing the Nicholson project.

"The initial exploration program is targeting up to three Tier 1 equivalent, drill-ready Mount Isa style lead-zinc-silver targets, which we believe could be similar in size to the McArthur River and Century deposits," he said.

"The earn-in and JV agreement with South32 is a significant milestone for Superior's lead-zinc strategy, it validates the potential of the project to host a world-class base metals deposit."

Drilling is expected to commence shortly after the completion of an aboriginal cultural heritage survey, scheduled to be conducted during early June 2019.



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