

## REGIONAL ROUNDUP

# Tesoro gold hunt in Chile

In an area largely known for hosting big IOCG deposits, Tesoro Resources Ltd is having some success identifying gold at El Zorro in Chile's coastal Cordillera.

Although there is evidence of porphyry-related epithermal gold mineralisation about 60km to the north-east of El Zorro, it is mainly associated with copper.

"El Zorro is quite unique in the fact that it is only gold, there are no base metals at all in it," Tesoro managing director Zeff Reeves told **Paydirt**.

Tesoro, formerly Plukka Ltd, relisted on the ASX in early February after raising \$4.63 million.

El Zorro, where Coquetas is being drilled, is the flagship in a portfolio also hosting the Espina gold project.

"The style of deposit certainly hasn't been described in Chile before, so we have our guys on the ground looking at some other areas showing similar characteristics to [potentially] pick up some more ground," Reeves said.

"With 50-100m intersects, we have a very good handle on the geology now and what's controlling the mineralisation. If we get similar results, we'll certainly be able to fast-track the resource and could be aiming for somewhere around the middle of the year, dependent on results."

Immediately upon re-listing Tesoro was following up on a 16-hole diamond drilling campaign at Coquetas with a further 10 holes.

While Tesoro brings a fresh story to the ASX, a total of \$3 million on early exploration work had been spent on El Zorro three years prior.

The company has been able to garner from previous work that all holes are min-

eralised, with gold mineralisation starting from surface and continuing to a depth of 200m at El Zorro.

Gold mineralisation is open in multiple directions along a strike length in excess of 4km and 2km-wide, with significant near-surface mineralisation determined by intercepts in the ilk of 98m @ 1.58 g/t gold.

Highlights from previous drilling also include 84.3m @ 1.3 g/t gold (including 4m @ 8.5 g/t), 98.3m @ 1.58 g/t (including 30.3m @ 3.03 g/t and 11m @ 4.7 g/t) and 58.8m @ 1.7 g/t (including 20.3m @ 4.5 g/t and 6.7m @ 12.21 g/t).

Reeves said the "ease" of working in Chile, meant Tesoro could quickly generate some momentum in the market from El Zorro and expected to receive assays from drilling by late March/early April or even sooner.

Meanwhile, results from 2,200 outcrop and rock chip samples subject to assaying are also expected sometime in March.

"That will keep plenty of market interest in the company I think at El Zorro. We have also got early-stage work ongoing at Espina [maiden drilling planned for 2020]. But, from the point of view of getting the market's attention, this is something new, it is not a re-hashed WA gold-fields play," Reeves said.

"We are not chasing geochem anomalies on a map or geophysics anomalies, we know where the gold is, we think we are onto a significant size system. There is potentially a resource there already, it is just a matter of getting a resource ready and expanding and defining it to move it into this next stage of development and with that goes good steady

news flow."

With some suggestions that gold could reach \$US2,000/oz in the near future, emerging gold stories with a path to production could be on the receiving end of due attention from investors.

Tesoro's projects are just 10km from the Pan America Highway and near Chile's mining town of Copiapo, while there is a port about 55km away.

Having infrastructure to work with means there will be cost advantages in capex when the time comes for Tesoro to consider building a mine.

In the meantime, delivering good exploration results will be key for Tesoro.

"We'll always weigh up the options, obviously if we think we can get 1 moz out of it for example we'd probably keep drilling up to 1 moz," Reeves said.

"Alternatively, if the resource is there to start pushing along into feasibility studies and get something built reasonably quickly [we can]. They are all good problems to hopefully have in the future. If we are still drilling and the deposit is still open, then we would probably continue to grow it into quite a significant deposit. There is certainly enough gold in that district from what we have done to suggest there could be a significant gold resource to come out of Coquetas initially and then some of the other targets as well."

— Mark Andrews



Zeff Reeves is in familiar territory in Chile with Tesoro Resources. Reeves is managing director of Tesoro, with John Toll as chairman and Geoffrey McNamara non-executive director.