

# New Land Pegged 10km From Cannington Silver Mine

4 November 2020



## Highlights

- Application for new EPM area 10km west of Cannington silver mine
- Cannington silver mine is one of the world's largest producers of silver
- Brumby prospect identified, a discrete magnetic high
- Cannington discovered by drill-testing of an isolated magnetic anomaly

## EPM Application

Thomson Resources Ltd ("Thomson" or "Company", ASX:TMZ), advises that with its extended focus now incorporating Queensland and a number of silver occurrences already within its tenement portfolio. It has submitted an EPM application for 6 sub-blocks 10km west of the Canning silver mine and has been designated EPM 27742 (see Figure 1 for location). The Pegmont lead-zinc deposit is approximately 10 km to the west of EPM 27742.

## Cannington Silver Mine

The Cannington silver mine is owned and operated by South 32 Limited and is generally regarded as one of the world's largest producers of silver and lead. In the 2020 Financial Year, Cannington processed 2,839 thousand dry metric tonnes at a grade of 156 g/t Ag, 4.7% Pb and 3.3% Zn for 11,792,000 oz of payable silver production (source: South 32 Annual Report 2020). Historic production to 30 June 2018 at Cannington has been 619M oz Ag at 355 g/t Ag, 1.2 Mt Zn metal at 2.2% Zn; and 4.3 Mt Pb metal at 8.0% Pb.

As is noted on page 134 of the *Northwest Mineral Province Deposit Atlas* published by The WH Bryan Mining and Geology Research Centre (BRC), "*The Cannington orebody was discovered through **drill-testing of an isolated magnetic anomaly**, and has a distinctive geophysical expression in several different geophysical data types.*"

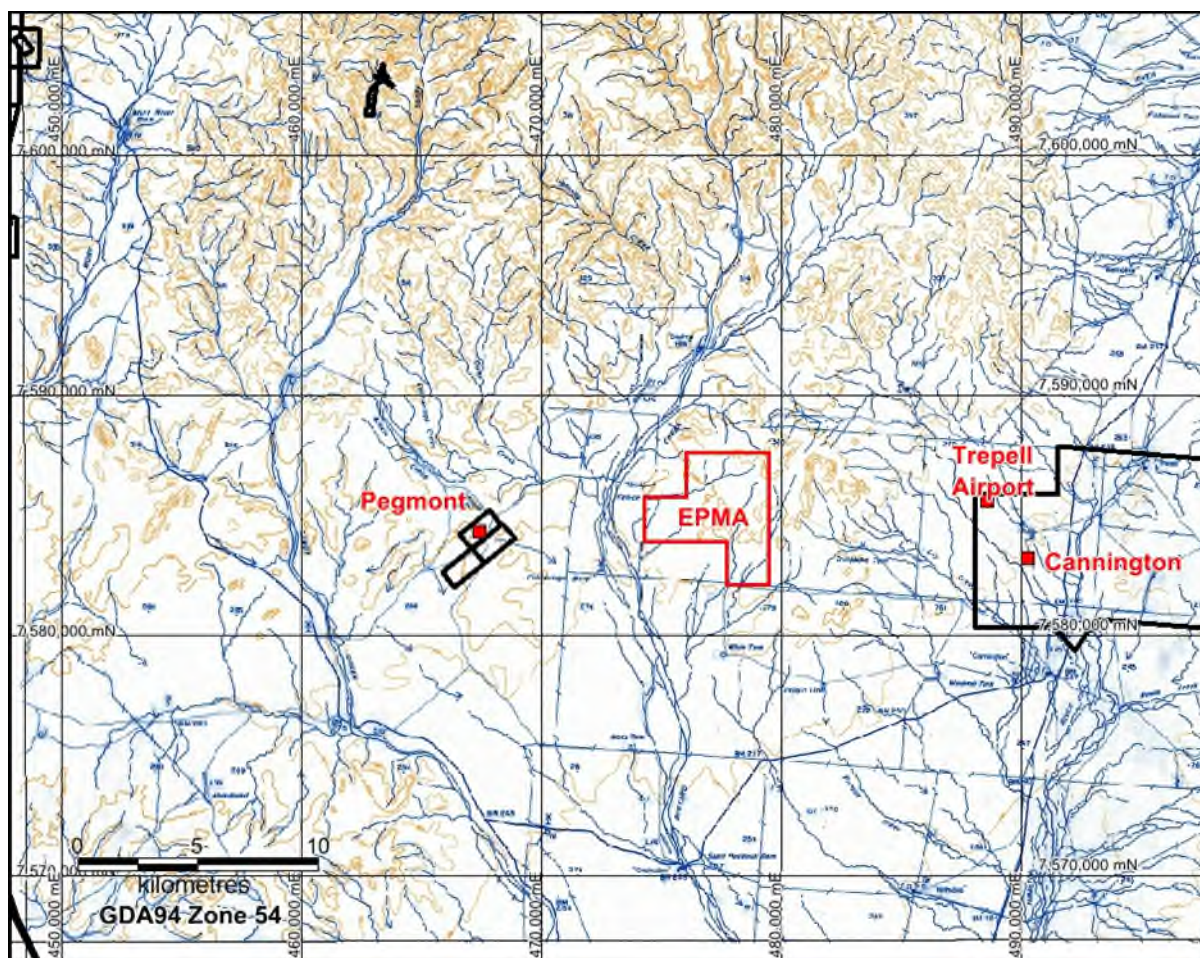


Figure 1 – Location of Thomson EPM

## Brumby Prospect

Within EPM 27742 there is a discrete magnetic high (see Figure 2).

Exploration has been undertaken on the Brumby prospect in the past and is neatly summarised in Section 6.2 of the Tringadee Project Final Report lodged by Western Metals Copper Limited in April 2002 (Report CR 33502). The Report notes:

*“The Brumby Prospect is a prominent magnetic high located on the northern edge of a poorly exposed granite of the Williams-Naraku Supersuite. It consists of a multiphase breccia/alteration system hosted within gneiss, granite, psammopelite and minor amphibolite. The alteration assemblage includes magnetite, diopside, quartz and minor actinolite, apatite and titanite.*

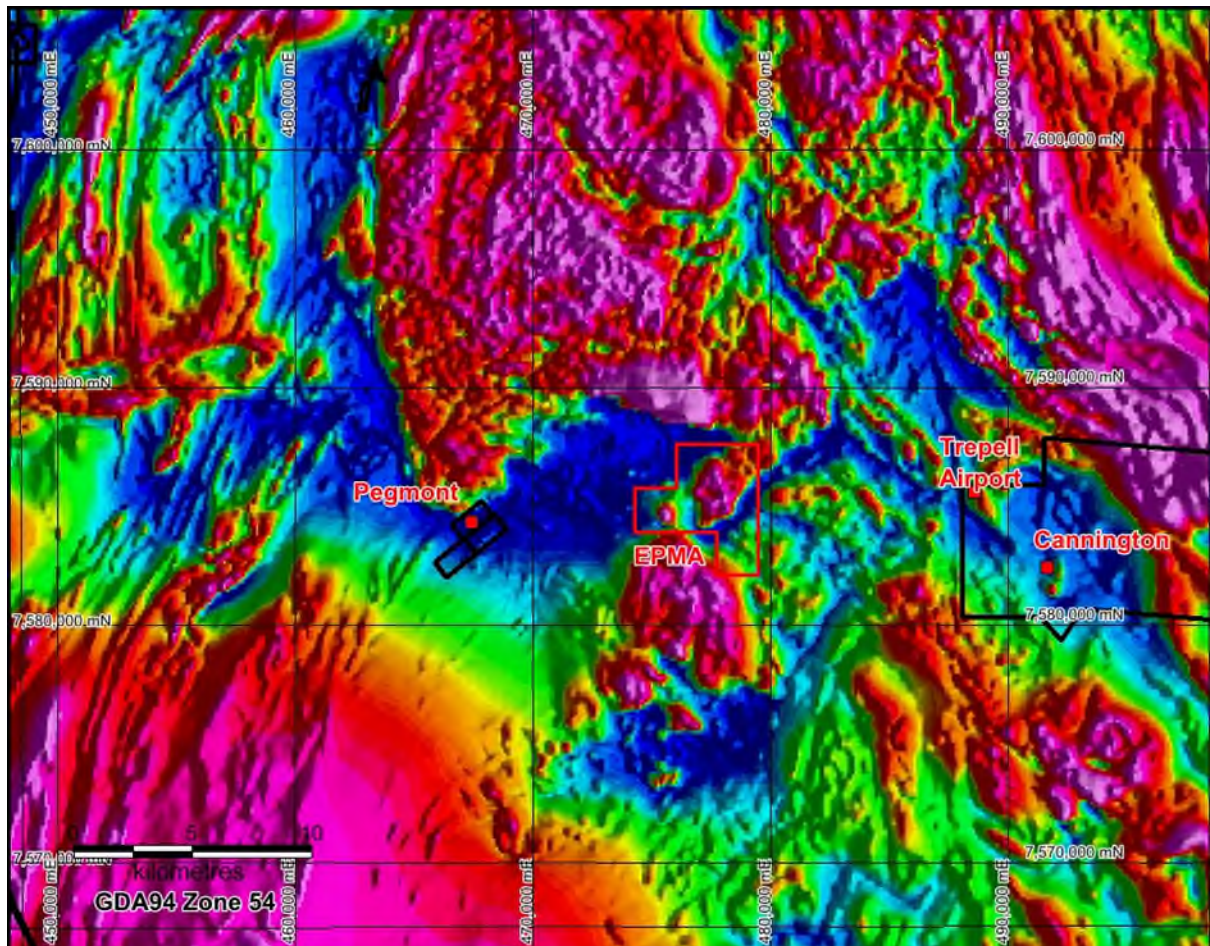
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*[An internal report prepared by PJ Williams of James Cook University] suggested that the **mineralisation at Brumby potentially reflects part of a larger system where economic mineralisation** could be associated with a non-magnetic mineral assemblage.*

... ..

### **Recommendations**

*Bearing in mind the difficulties experienced by Placer Pacific in locating the high grade ore zone at Osborne in the early stages of exploration, a systemic approach to future exploration at Brumby may be justified, for example RAB drilling over a broader area than that covered by the magnetic anomaly might help to locate mineralised zones not associated with magnetite or that have a masked magnetic/EM signature.”*



*Figure 2 – Thomson's EPMA set against a background of regional total magnetic intensity*

Once the EPM is granted Thomson's strategy is to conduct a comprehensive search over the whole area to discover BH-type or IOCG-type deposits under thin cover at exploitable depths. The targeted minerals are silver, gold, zinc, lead and copper.

This announcement was authorised for issue by the Board.

**Thomson Resources Ltd**



**Eoin Rothery**

Executive Director

**Competent Person**

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a full-time employee of Thomson Resources Ltd. Mr Rothery has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*This report contains information extracted from previous ASX releases which are referenced in the report and which are available on the company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

## Thomson Resources Project Overview

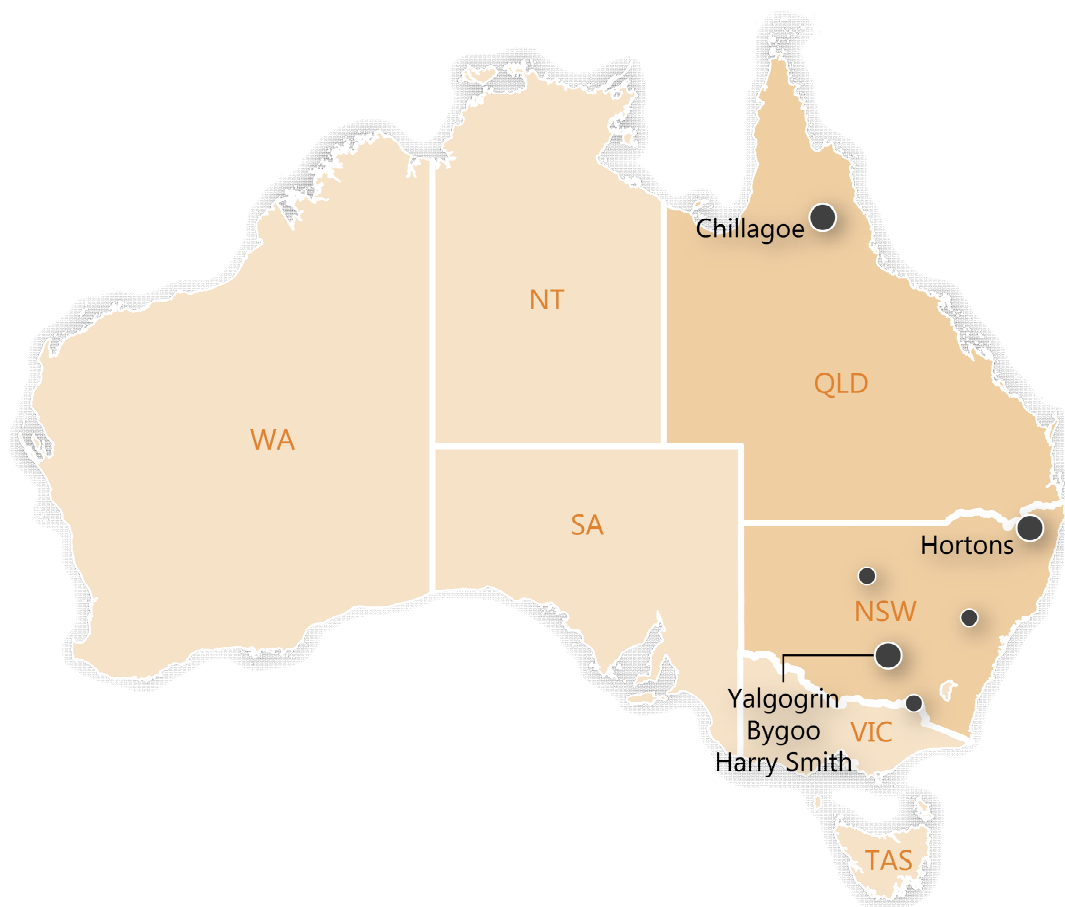


Figure 4 -Thomson Resources Project Areas



Figure 5: Location of Thomson Resources Projects in NSW

### ***Harry Smith Gold Project***

The Harry Smith Gold Project was granted to Thomson Resources in 2016 and lies 30km south of Ardlathan. Three distinct gold-bearing quartz reefs occur at the Harry Smith prospect and were worked historically from 1893 to 1942. Total recorded production was over 3,500 ounces of gold (Mines Record 2507). Thomson Resources has drilled 14 holes to date with significant gold intercepts on all three lodes including a strong high-grade hit on the Silver Spray lode (**9m at 9.2 g/t Au** from 38m in HSRC009, within a broader zone of **17m at 5.2 g/t Au**).

[For further information and the detail of the above see Thomson Resources ASX Releases of 16 September 2016, 26 March 2018, 19 June 2018, 16 January 2019 and 29 January 2019].

### ***Yalgogrin Gold Project***

The Yalgogrin Gold Project was acquired by Thomson in October 2019. EL 8684, together with the recently granted EL 8946, covers the Yalgogrin Gold Field with multiple historic gold workings. Gold was first produced at Yalgogrin in 1893 and continued sporadically at multiple centres until 1954. Total historic production from the workings is estimated at more than 15,000 ounces at grades averaging over 1 ounce per ton. Multiple high-grade surface samples occur at and between historic workings and there has been little modern drill follow up (see Thomson's ASX release of 15 October 2019). Maiden drilling by Thomson in August 2020 intersected the first known high grade gold results below two sets of workings: 5m at 10.3 g/t Au below the Burstled Boulder shafts and pits and 2m at 7.5 g/t Au below Shellys (Thomson Resources ASX Release 18 September 2020).

### ***Queensland Gold Project (Chillagoe)***

The Queensland Gold Project is located near Chillagoe in Far North Queensland, 150km west of Cairns. It lies 30km west of Chillagoe near the Mungana, Red Dome and King Vol mining operations. The Project comprises 5 granted Exploration Permits and 1 Exploration Permit Application covering 593 square kilometers. The Project is currently being acquired from Bacchus Resources Pty Ltd and the Company is working towards completing satisfaction of all of the conditions precedent (see ASX Release dated 10 August 2020 for more details regarding the Project and acquisition terms).

The principal target type in the area is Intrusion Related Gold (IRG) deposits which are typically associated with felsic Carboniferous breccia pipe and intrusive complexes. In this area several such bodies are known and display features typical of the nearby Red Dome and Mungana IRG deposits.

### ***Hortons Gold Project***

The Hortons Gold Project is situated 30km south east of Tenterfield in Northern NSW and comprises one exploration licence which covers 58 sq. km and has several gold anomalies. The Project is currently being acquired from Syndicate Minerals Pty Ltd and the Company is working towards completing satisfaction of all of the conditions precedent (see ASX Release dated 31 August 2020 for more details regarding the Project and acquisition terms).

The Project has high potential for Intrusion-Related Gold System ("IRGS") type gold mineralization and has a number of gold targets, of which some have historic drilling. Best intercepts were at the Hortons Prospect with **30m at 8.6 g/t Au** from 24m depth in HOD100 and **67m at 3.8 g/t Au** from 15m depth in RSMPQ4.

### ***Bygoo Tin Project***

The Bygoo Tin Project was acquired by Thomson Resources in 2015 and lies on the 100% owned EL 8260. The EL surrounds the major tin deposit at Ardlathan which was mined until 1986, with over 31,500 tonnes of tin being produced (reference Paterson, R.G., 1990, Ardlathan tin deposits in the Australasian Institute of Mining and Metallurgy Monograph no. 14, pages 1357-1364). There are several early-twentieth century shallow tin workings scattered up to 10km north and south of Ardlathan, and few have been tested with modern exploration. Thomson has had immediate success in drilling near two of the historic workings, Bygoo North and South, which lie towards the northern end of the tin-bearing Ardlathan Granite.

At Bygoo North Thomson has intersected multiple high-grade tin intersections in a quartz-topaz-cassiterite greisen including **11m at 1.0% Sn** (BNRC10), **35m at 2.1% Sn** (BNRC11), **11m at 1.4% Sn** (BNRC13), **11m at 2.1% Sn** (BNRC20), **29m at 1.0% Sn** (BNRC33) and **19m at 1.0% Sn** (BNRC40). The greisens appear to be steep to vertical; about 5-10m wide in true width; strike east-west; and the tin intersections appear to have continuity within the greisen.

At Bygoo South Thomson has intersected a sulphide-rich quartz topaz greisen with high-grade tin intersections including **8m at 1.3% Sn** (BNRC21), **20m at 0.9% Sn** (BNRC31) and **7m at 1.3% Sn** (BNRC35). The orientation and geometry of this greisen is not yet clear. 20km south of Bygoo Thomson has intersected more tin at one of the old workings in the Bald Hill tin field with a best result of **15m at 0.4% Sn** from 19m depth in hole BHRC01.

[For further information and the detail of the above see Thomson Resources ASX Releases of 21 November 2016, 28 June 2017, 16 October 2017, 5 April 2018, 5 July 2018 and 7 January 2019]