

Inclement weather no longer a problem for junior as it adapts to the Tanzanian terrains

Western Australian exploration house Peak Resources Ltd has started a substantial resource definition drilling program for its Ngualla rare earths project in Tanzania.

The company owns 80% of Ngualla, which has the potential to host large, near surface deposits of rare earths, niobium, tantalum and phosphate.

The primary focus of the 2011 field activities is to define an initial JORC resource for both the bedrock and alluvial zones of rare earth mineralisation that were discovered by the company last year.

Peak chairman Alastair Hunter was confident the resource would be completed by the first quarter of 2012.

Diamond drilling will also provide core samples for ongoing beneficiation and metallurgical testwork.

Two wide spaced traverses of RC drill holes are planned after the completion of the resource drilling program to test the extent of the niobium-tantalum-phosphate mineralisation to the north of Ngualla Hill.

The current phase of drilling will deliver an estimated 115 RC holes for 15,000 metres, eight diamond holes for 1,400m and 130 aircore ones for 3,000m.

Added flexibility

The 2011 program can be considered in four parts based on mineralisation style, priority and geographic location.

They are the southern rare earth zone,

the south west alluvials, the north east alluvials and the northern niobium-tantalum zone.

The largely bedrock-hosted rare earth mineralisation found in the southern rare earth zone of the Central Hills area of the carbonatite represents the priority target area due to its greater size potential and impressive grades.

Broad zones of material intersected in the area include 64m at 5.48% rare earths oxide from surface and 46m at 6.67% REO (also from surface).

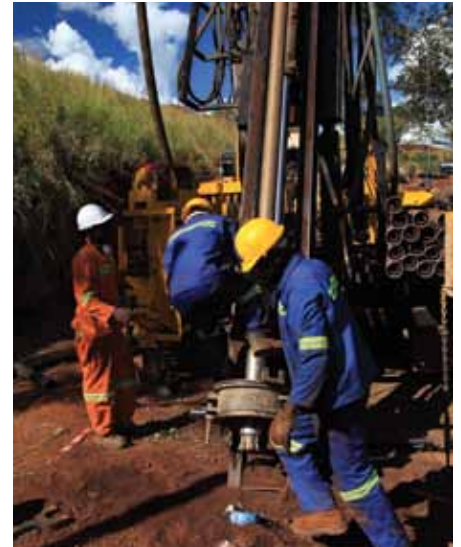
Another plus for Peak as it pushes forward with its campaign is the added flexibility it will receive in the field through the use of track-mounted drill rigs as opposed to the wheel-mounted ones it had used in the past.

This development was something Hunter was very happy about.

“This year, rather than use wheel-mounted rigs, we have chosen to utilise track-mounted ones, which gives them much more access to our locations – even towards the end of the year when the rains come,” he explained.

“We aborted last year’s program because the rain came, and in fact we had to winch one of the rigs out because it was that wet. But, by using these track-mounted rigs, we believe it will give us a greater degree of flexibility moving forward.”

Hunter was also buoyant about the direction he felt the rare earths market



Activities on site continue.

was heading, attributing China as a driving force behind the strengthening of the commodities over the past 12 months.

“The Chinese keep turning off the tap and making it more difficult for their groups to export,” he said.

“We can’t see demand shrinking in the future, especially if you believe that the world will continue to advance technologically and the use of products such as hybrid cars continue to play a significant role.

“The Chinese have done us a huge favour really – by tightening up on their exports, they have been a key exporter of rare earths and they have forced the world to go out and look for alternative sources.

“This is where we come in.”

Huge potential

Hunter was also confident about the prospect of his company unearthing something very sizeable in Tanzania, although he did emphasise there was still a way to go in regards to drilling out the resource and determining exactly what it was Peak was sitting on.

“We see the scope at the Ngualla project to be, potentially, very large,” he added.

“The drilling that we have done so far has shown indications that this is a major system, and the same goes for the niobium zone with the parameters that we have seen also indicating a major system.”



At the end of the day, the company is hoping to become a multi-niche metal producer.

Sam Burns