



Paydirt
September, 2020
 Page: 31
 Section: General News
 Region: National, AU
 Circulation: 4837
 Type: Magazines Trade
 Size: 613.00 sq.cms.



slice
 CUT STRAIGHT TO YOUR NEWS

press clip



An updated gold resource at Pickle Crow, Ontario, is being targeted by Auteco in Q4

No pickle to crow about, just gold

There's little risk of capital markets being drained of cash by speculative plays in the gold sector, however, one ASX company executive has warned that the music will eventually stop with the fallout unpleasant.

"I think a lot of people are raising money on the back of assays, drill results and intercepts and that is what worries me. We will all get caught unfortunately when the wheel stops, and it will because I think the retail punters are in there and I think they are thinking that anything that is out there to do with gold is going to go up; that is just not the case," Auteco Minerals Ltd executive chairman Ray Shorrocks told **Paydirt**.

"I think a lot of the capital that was to be raised has been raised. There are still gold raisings as we speak, but generally speaking there is plenty of cash floating around, I wouldn't be too concerned about that. From our point of view, this raising has really shaped our register and given us strength of capital to chase this asset wholeheartedly."

Amid the flurry of capital raisings undertaken in the junior space already this year, Auteco pulled off one of the more significant transactions – a \$30.4 million placement at 13.5c/share (10% discount to the last closing price before the raising) – in early July to advance the Pickle Crow project in Ontario, Canada.

Cannacord Genuity (Australia) Ltd was the sole lead manager and underwriter of the placement for Auteco, which now has 1832 Asset Management LP (5.23%) as a major shareholder, while Australian and global institutions (14%) and board and management hold 31% on a fully diluted basis at the time of print.

"We raised our money on the back of a [resource] number that people were pretty happy with – 830,000oz @ 11.6 g/t gold," Shorrocks said.

"We try to separate ourselves from some of the smaller players and we have moved away from the small cap end. We

had a market cap of about \$50 million not that long ago and today we sit at about \$260 million [16c/share at the time of print].

"That is an enterprise value of \$220-230 million with \$33 million in the bank. It is very encouraging for us and shareholders that we can go out and chase really strong intercepts from previous assays that were never followed up," he said.

Auteco plans to further enhance its standing as a standout exploration company on the ASX with a resource update from Pickle Crow scheduled for Q4.



Ray Shorrocks

To do so, Auteco has upped a planned 5,000m diamond drilling programme to 10,000m with three rigs at Pickle Crow.

The campaign will immediately target low hanging fruit – 10.7m @ 50.9 g/t gold, 6.9m @ 17.7 g/t, 1.5m @ 444.4 g/t, 0.9m @ 878.7 g/t – that was not included in the near-1 moz inferred resource at Pickle Crow announced by Auteco in April.

"The only reason why we didn't include those intercepts was because there wasn't enough evidence from what we have seen.

We will re-drill around those areas and get the geological confidence. Should they come good, that will increase the resource quite substantially," Shorrocks said.

Pickle Crow's heyday saw production of 1.5 moz gold @ 16 g/t but it has been devoid of exploration since mine closure in 1966, despite being located in a district hosting the likes of Evolution Mining Ltd's Red Lake (historic production of 25 moz gold @ plus-20 g/t), Newmont Mining Corp's Musselwhite (5.7 moz), Pure Gold Mining Inc's Madsen (2.6 moz @ 8.9 g/t) and First Mining Gold Corp's Springpole project (4.67 moz @ 1.04 g/t indicated).

Auteco is earning into Pickle Crow from First Mining with a two-stage agreement initially in place for the former to own 51% and then 70% of the project followed by a buy-in option to acquire a further 10%, subject to conditions.

Auteco signalled its intention to acquire Pickle Crow in January and soon after it consolidated a further 130sq km of ground in the area to bolster its exposure regionally.

The company has more than 320sq km of prospective ground at Pickle Crow and tight relationships with the First Nations people in the area ensures that it is well placed in a jurisdiction that is receiving its fair share of attention now.

"There is a bit of a land grab going on there as we speak. There are a few companies which are very small and can't seem to get any real traction. We will look at every available opportunity for us going forward," Shorrocks said.

"I think one thing that separates us from others is the relationships we have on the ground and we will look to employ locals in the first instance. We have signed off on four First Nation people starting with us so far in a variety of roles. We will continue to engage the First Nations group."

– Mark Andrews