

Mining

Barry FitzGerald: Two junior explorers who could turn into winter warmers

July 19, 2024 | [Barry FitzGerald](#)

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The midwinter blues have set in for Garimpeiro. So he set off during the week to find some potential excitement amongst the ASX-listed junior explorers.

He came up with two names – Canterbury Resources and Cygnus Metals. They are very different stories but share the underlying theme that they are ones to watch in coming months.

Canterbury Resources (ASX:CBY)

This hardy copper/gold explorer got a mention back in April when it was trading at 2.8c for a market cap of \$4.8 million.

It promptly took off to 7.7c, but has since settled back at 4.5c (mid-week) for a still unchallenging market cap of \$7.7 million.

The story has got better since that April mention, as the two potentially high-impact exploration programs mentioned at the time – both funded by joint venture partners – are finally underway.

The first to get going was the joint venture with Alma Metals (ASX:ALM) at the Briggs porphyry copper project near Gladstone in Queensland.

It is a big low-grade deposit that has got a lot more interesting with copper leaving behind its CY2023 average of \$US3.85/lb to trade at \$US4.41/lb, a gain of 14.5%.

The drilling program is well under way and has the aim of confirming higher grade material in a zone straddling the intrusion and surrounding volcanic sediments.

Confirming the potential for higher grade material would raise the prospect of an initial development kicking off from a starter pit, something likely to be explored in a scoping study starting later in the year.

It is one to watch but it is Canterbury's second joint venture that could deliver some serious excitement in coming months – the Bismarck joint venture with Rio Tinto (ASX:RIO) on Manus Island, PNG.

Drilling was meant to have started a month or so ago, but it has been a hell of a slog for Canterbury as the operator to beat its way through the jungle and along boggy tracks to get to the site.

Bismarck is a long-standing joint venture with Rio, which can earn up to an 80% interest in the project which sits in the central part of the island, well away from the infamous and now closed offshore detention centre for illegal immigrants.

Bismarck is a copper-gold porphyry target, as well as having the potential for skarn mineralisation. As Rio's involvement suggests, it is potential Tier-1 stuff.

That potential is now being tested in an initial eight-hole program. The first of the holes is underway and a second rig is due to arrive shortly. Results are likely to be a couple of months off.

But for a company with a market cap as modest as Canterbury's, the wait might well be worth it given the value of Tier-1 finds – though there is no guarantee that will be the case at Bismarck – is measured in the billions of dollars.

Cygnus Metals (ASX:CY5)

The last place some excitement could be expected to be found is amongst the lithium explorers.

But Quebec lithium explorer Cygnus has nevertheless found a way to shake off the lithium blues by flagging it was considering potential new project opportunities, including in the current buzz metal of copper.

The news came with a use of funds statement following a recent \$3 million placement at 3.5c a share and has had the effect of pulling Cygnus up from its lithium-induced 52-week lows to 6.3c mid-week for a market cap of \$24 million.

Without knowing what the new project is, the market's excitement about what might be in store is due to Cygnus being part of West Perth's Richardson group, a loose affiliation of like-minded explorers involving Steve Parsons of former **Bellevue Gold (ASX:BGL)** fame, and others.

The broad strategy is find an unloved asset with exploration upside, give the geologists their head by financing their best exploration ideas and then move in to scoping studies and eventual development.

The strategy worked a treat at Bellevue and Parsons and mates have repeat performances under way now at **FireFly Metals (ASX:FFM)** and **Andean Silver (ASX:ASL)**.

Those that have pushed Cygnus shares well beyond the recent capital raise price are betting the company will be the next out of the Richardson group to create some serious value.

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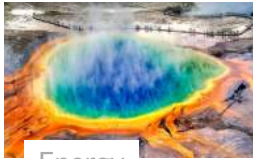
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