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Group Eleven advances on three fronts in Ireland

ZINC | Vancouver-based junior explores Ballinalack, Stonepark and Silvermines



Drillers at work on Group Eleven Resources' Stonepark zinc property near Limerick in the Republic of Ireland. PHOTO BY RICHARD QUARISA



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Ireland hosts two prospective horizons for zinc-lead mineralization: the Waulsortian limestone zone, and the deeper Pale Beds, also known as the Navan Beds.

Group Eleven Resources (TSXV: ZNG) hosted a recent trip to three of its zinc-lead projects in the Republic of Ireland to make sure visitors understood this fact.

The Navan Beds are named after the prolific Navan deposit, which feeds **New Boliden's** (STO:

BOL) Tara mine. In most places there is only one zone, but the two overlap substantially at Group Eleven's Ballinalack project.

"If you go too far north or south, you lose one or the other," Group Eleven CEO Bart Jaworski says from the field office in nearby Mullingar.

At Ballinalack, Group Eleven is compiling all the exploration data other companies generated during the 1970s, 80s and 90s.

Syngonore found the deposit in 1970. Oliver Resources tabled a feasibility study for it in 1991. **Teck Resources** (TSX: TECK; NYSE: TECK) acquired it in 2005, and Zhongjin Lingnan Mining paid Teck US\$6 million for a 40% interest in 2009.

"WE ARE ALREADY WORKING WITH A ZINC CONCENTRATE CONSUMER."

BART JAWORSKI
CEO, GROUP ELEVEN RESOURCES

As a result, Group Eleven has access to more than 93,000 metres of drilling. Nearly 64,000 metres of that is historic, with Teck drilling 29,400 metres in more modern times. Group Eleven estimates more than \$30 million has



An inactive drill at Group Eleven Resources' 60%-owned Ballinalack zinc-lead project in the Republic of Ireland. PHOTO BY RICHARD QUARISA



Mine workings from the 19th century at Group Eleven Resources' Silvermines zinc-lead project in County Tipperary, Republic of Ireland. PHOTO BY RICHARD QUARISA

already been spent on the project by its previous owners.

It was arduous to pull together all the data, as the work history is complex.

Historically, companies have focused on mineralization in the Waulsortian limestone. However, Group Eleven says the Navan Beds may host a second, deeper deposit right underneath.

Group Eleven chief operating officer David Furlong first came up with the idea. The company would go on to find a 1980s report by a **BHP Billiton** (LON: BLT) geologist suggesting the possibility of stacked deposits. No one has drilled deep enough in the right spots to find out.

"We now know previous attempts were drilling too far away from the Ballinalack fault," Jaworski says.

The company has found four targets in the Navan beds it plans to explore. It has drilled holes into two of those targets, confirming they are prospective.

John Barry, Group Eleven's vice-president of exploration strategy, says the company is "questioning everything" about the geology at Ballinalack.

"The cross faults look like they might have a lot more to do with mineralization than previously thought," Jaworski adds. "The cross faults were hitherto ignored — what if there's a thickening and higher grade against them? Nobody has yet drilled in the proper orienta-

tion to test this theory."

Group Eleven picked up the project from Teck in July 2017 for \$2.5 million in cash and \$1 million in shares. Group Eleven's Chinese partner Nonfemet contributes and maintains a 40% interest. Nonfemet is one of China's largest zinc producers.

"We are in a fortunate position," Jaworski says. "We are already working with a zinc concentrate consumer."

Ballinalack lies 14.5 km from the town of Mullingar and 50 km west of the town of Navan and New Boliden's mine. New Boliden acquired Tara in 2004. In 2017, it produced 2.3 million tonnes grading 5.9% zinc and 1.1% lead for 239,000 tonnes zinc and 31,000 tonnes lead. As of the end of 2017, it contained 16.6 million probable tonnes grading 5.7% zinc and 1.4% lead.

Ballinalack has a historic resource of 7.7 million tonnes grading 6.3% zinc and 1% lead.

The arguably more compelling project in Group Eleven's portfolio is Stonepark. It's located near Ireland's third-largest city, Limerick, and next to **Glencore's** (LON: GLEN) Pallas Green deposit, which has 44.2 million inferred tonnes at 8.4% combined zinc and lead.

In 2007, Teck entered an option agreement to buy 75% of the project from **Connemara Mining** (LON: CON). It found Stonepark in 2007 and Stonepark North in 2009. Group Eleven then acquired the project from Teck.

Now Group Eleven owns 76.6% of the project

and Connemara owns 23.4%. It acquired the project in September 2017 for \$2.15 million.

Group Eleven estimates \$8.9 million has been invested in the project by Teck and Connemara since early 2007. It has a database featuring more than 57,000 metres of historic drilling, including nearly 55,000 metres by Teck.

The project is in the Limerick basin, where Group Eleven has amassed a 1,240 sq. km land position. Despite past activity, no one has yet found a main mineralizing fault.

The project contains 5.1 million inferred tonnes grading 8.7% zinc and 2.6% lead for 982 million lb. zinc and 297 million lb. lead.

Group Eleven is in the midst of a 2,000-metre drill program at Stonepark.

"The drilling we're doing right now is to determine the relationships between the faults and the known areas of mineralization," Barry says.

The company theorizes that the known mineralization at Stonepark and Pallas Green may represent only the outer edges of a larger mineralized system. It will use data from the current drill campaign to plan a larger campaign it intends to begin in 2019.

The company's third main zinc-lead project, Silvermines, is 8 km south of the town of Nenagh, in a region with four formerly producing zinc mines, including the historic Silvermines zinc mines that produced 10.8 million tonnes grading 7.4% zinc and 2.7% lead, between 1968 and 1982.

Holes drilled by Ennex International at the



In the town of Silvermines in the Republic of Ireland, from left: Group Eleven vice-president of exploration strategy John Barry, 321 Gold writer Bob Moriarty, Group Eleven CEO Bart Jaworski and Group Eleven chief operating officer David Furlong. PHOTO BY RICHARD QUARISA

mine’s Cooleen prospect in the early 1990s graded as high as 14.5% zinc and 1.7% lead over 7.32 metres from 391 metres downhole, including 42.9% zinc and 3.7% lead over 1.8 metres from 394 metres downhole.

However, reclamation liabilities — which were transferred to Ennex when it bought the previous operator’s subsidiary — ended up stalling the project, and Ennex eventually dropped it.

The government then continued its own reclamation efforts, taking the project off the market for years.

Group Eleven scooped it up when it became available as a brand-new licence (free of any historic liabilities) — surprised that nobody else had spotted it sooner.

The Cooleen prospect had not been explored for 20 years. The zone measures 300 metres long by 100 metres wide and hosts four nearby targets. In late 2016, Group Eleven drilled one hole in the area to verify that it’s prospective for zinc-lead mineralization.

Group Eleven started life as a corporate entity 3.5 years ago, but only went public last

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year. **MAG Silver** (TSX: MAG; NYSE: MAG) came in two years ago to take a substantial position: 15.8% basic and 21.4% fully diluted. Teck owns a basic 5.6% interest, or 4.3%, on a fully diluted basis.

Group Eleven says there is strong support for mining from the Irish government, which is running an airborne survey over the entire country.

Companies could fund part of the survey and have their land prioritized. Group Eleven did just that. It expects to receive results from the survey in early 2019. It will use that data to plan future drilling.

In 2017, the Fraser Institute ranked the Re-

public of Ireland No. 1 on its Policy Perception Index and No. 4 for Investment Attractiveness.

Group Eleven began its site visit by explaining the rule of thumb for zinc deposits in Ireland: to break-even economically, deposits need to contain at least 10 million tonnes grading 10% zinc and lead combined. That’s not to say the work stops there, but it does represent a threshold the company needs to hit. With a 3,200 sq. km land position — the largest in Ireland — and three core projects, the company has plenty of opportunity to meet that goal.

Shares of Group Eleven are trading at 14¢ with a 52-week range of 12¢ to 40¢. The company has an \$8-million market capitalization. **TNM**