

# Turaco set to grow well-studied licence

by Michael Cameron

**T**uraco Gold Ltd has its eye on a quick turnaround at the Afema gold project in Côte d'Ivoire after acquiring a majority position in the project in November.

Afema – in the West African country's south-east – hosts several deposits and prospects identified in historical drilling and mining as well as artisanal workings along a 25km shear structure, giving Turaco plenty of reason to expand the licence area. It has also applied for an adjacent 1,040sq km of greenfield exploration ground.

Fresh rock intercepts from previous drilling at Afema returned 64m @ 3.08 g/t from 80m and 33m @ 7.53 g/t from 118m, as well as oxide hits of 40.6m @ 7.13 g/t from surface and 24m @ 9.95 g/t from 18m. These all fall within the approved mining permit area and mineralisation remains open.

Turaco agreed to purchase a 70% stake in Afema November from Endeavour Mining plc and has seen its share register light up on the news. Managing director Justin Tremain said the company was in a good financial position thanks to a loyal shareholder base and institutional support from the likes of Sprott Asset Management and other well-regarded institutional investors.

"We've got some very supportive shareholders who have backed the same board and management team across prior companies," Tremain told **GMJ**. "This team led Exore Resources in Côte d'Ivoire, which was acquired by Perseus [Mining Ltd] and before that, Renaissance Minerals and Emerald Resources [Ltd] in Cambodia. So, there are shareholders who have been supporting the team for a long period of time."

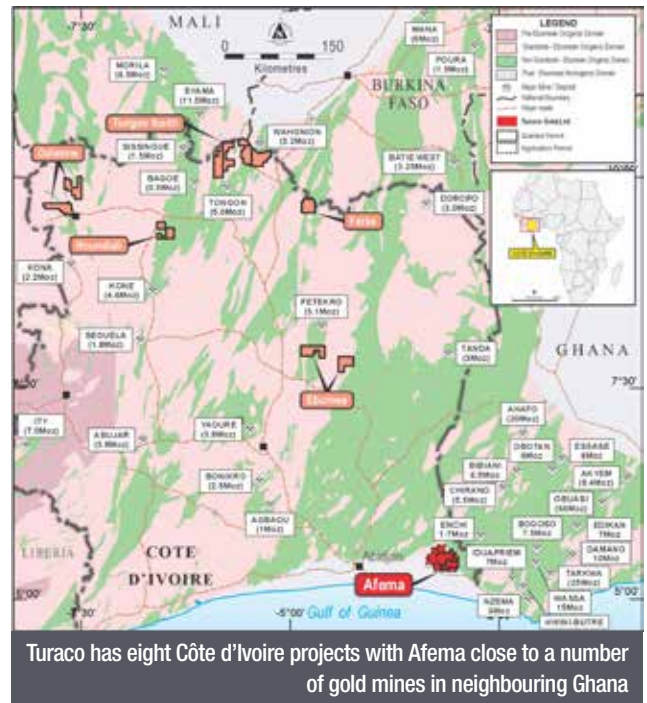
Turaco opened a round of funding a week after the purchase agreement and Tremain said the company was able to reach its \$6.6 million goal easily.

"The intention was to raise less than that, but there was very strong demand," he said. "That funding will go towards the initial acquisition payment to Endeavour and towards putting together a JORC resource in a relatively short period of time."

Turaco agreed to acquire Endeavour's 51% stake in the project, as well as a further 19% from private company Sodim Ltd in a staged deal. An upfront cash consideration of \$US1.5 million and 46.5 million Turaco shares will account for Endeavour's interest, while Sodim will receive \$US380,000 within 12 months of the purchase. Turaco can increase its stake to 65% by making a further \$US2.5 million payment and delivering a PFS with a JORC-compliant resource of 2 moz gold within 30 months. This interest can be grown again to 70% within 12 months for another \$US3.75 million cash. Turaco must also make a \$US1.5 million milestone payment upon announcement of a JORC-compliant resource of 1 moz @ 1.2 g/t gold.

Tremain said the company would start work at Afema as soon as the deal was approved and aimed to mete out a JORC-compliant resource before the middle of the year, as per the company's arrangement with Côte d'Ivoire's Ministry of Mines.

"We hope to commence drilling immediately on the Woulo Woulo discovery," he said. "It's only been drilled down to about 120m, so we want to drill that a bit deeper and also collect some samples for detailed metallurgical test work. There has been some preliminary test work which indicated the deposit is not refractory."



Afema has reportedly produced 125,000oz gold historically and unlisted Taurus Gold Ltd drilled 1,200 holes for 78,500m in the 1990s. More recent drilling by Teranga Gold Corporation focused on nearby Woulo Woulo and included intersections of 25m @ 4.44 g/t from 112m and 66m @ 1.58 g/t from 48m.

Tremain said Côte d'Ivoire was the best jurisdiction in West Africa for a junior gold explorer. Afema is 120km east of the port city of Abidjan and is expected to benefit from improvements to infrastructure with a new major bitumen highway traversing the project's southern boundary nearly complete.

"To be only an hour and a half out of Abidjan makes it a very easy place to be working," Tremain said. "That [highway] is a fantastic piece of infrastructure for us and then there is also one of Côte d'Ivoire's main hydropower schemes adjoining the northern part of the project area, which we will ultimately look to take advantage of come development."