



Manas Resources projects are at exploration stage.



Projects vary from grassroots to conceptual stage.

# POT OF GOLD

Manas Resources digs deep  
By Nelendhre Moodley

**A** SX-listed gold exploration company Manas Resources is busy advancing its three key assets in Côte d'Ivoire, West Africa – the Mbengué Gold Project, the Eburnea Gold Project and the Tortiya Gold Project. *SA Mining* recently caught up with CEO Chris MacKenzie for greater insight into the company's strategy and project progress.

**AS AN EMERGING GOLD EXPLORATION COMPANY, IS MANAS RESOURCES' STRATEGY TO BE A GOLD PRODUCER, OR IS IT AIMED AT UPGRADING THE RESOURCE FOR SALE TO A GOLD DEVELOPER?**

Our main focus, and the core skills of the company's leadership, is exploration to the pre-development level. Of course the future progress of the company will depend on the nature of any resource we discover – an exploration company can become a miner. But our aim is to find a large and attractive resource that would be attractive to a major miner. We benefit from having two supportive shareholders who are also major players in the West African mining scene: Resolute Mining, our major shareholder, and Perseus Mining.

**WHAT IS THE CURRENT STATUS OF YOUR WEST AFRICAN PROJECTS AND WHAT PLANS ARE IN PLACE FOR PROJECT DEVELOPMENT UP TO 2021?**

All our three main projects are at the exploration stage, varying from grassroots and conceptual at the Tortiya Gold Project (TGP) to advanced exploration at the Mbengué Gold Project (MGP). We are continuing to advance exploration at the projects through 2020 using a systematic approach developed to identify targets with the potential to become major resources. The company remains well funded and able to respond quickly once early drill success identifies potential resource areas.

**TELL US MORE ABOUT YOUR MBENGUÉ GOLD PROJECT?**

MGP is an exciting prospect for Manas. It contains four major auriferous structures – the Toumoukro, Mbengue, Mamba and Tongon shears. Each is over 15km long and the bifurcating Tongon shear structure is approximately 25km long.

It had a lot of "smoke" in the form of good drill intercepts from previous exploration campaigns conducted by

Perseus Mining, a key player in the West African mining scene. Perseus is very active in Côte d'Ivoire and Manas is in the process of earning 70% of permit PR272 (one of two permits comprising the MGP) from them. The other permit we own 100%, and within a few months of it being granted we are actively exploring a newly discovered 16km gold trend along a major shear structure.

Unlike many other prospects in the country, MGP is well located close to existing mine infrastructure. Barrick's Tongon gold mine, which produces around 250 000oz Au annually, only has around two years of mine life. Tongon is less than 10km away from our main prospect, Le Vieux-Madala-Turaco, where we've defined some major geophysical targets which also have excellent auger drilling results. Further auger drilling is ongoing here and we expect to generate some world-class targets for follow-up by reverse circulation drilling later this year.

Despite all that, the enterprise value of the company remains low in comparison to its peers and we see that as a highly attractive proposition to existing and potential investors.

“Our aim is to find a large and attractive resource that would be attractive to a major miner.”

– MacKenzie

**WHAT IS YOUR STRATEGY FOR YOUR FLAGSHIP PROJECT? ANY KEY MILESTONE IN PLACE FOR THE NEXT TWO YEARS?**

For MGP we expect to rapidly advance those targets with resource potential closest to the Tongon mine through the course of 2020, with a view to outlining the resource potential there within two years. At the same time we'll also be using our diligent, systematic approach to progress our two other projects so we can assess their resource potential quickly and cost-effectively. We anticipate that within two years we will have been able to advance each of the three projects to that stage if they show promise, using existing cash resources wisely.

**HOW MUCH HAVE YOU INVESTED TO DATE IN BRINGING YOUR PROJECTS TO THE CURRENT STATE?**

To date we've invested around \$1.2-million in our exploration efforts on the three projects. Manas is in a very strong financial position, with \$7.7m cash in our 31 March 2020 financial statements. We have a streamlined board and management structure and our exploration costs and burn rate are also low:

we've recently invested in our own auger drilling machine to reduce our unit cost exploration overheads.

**WHAT IMPACT, IF ANY, HAS COVID-19 HAD ON OVERALL PROJECT DEVELOPMENT AND PROJECT FINANCING? DO YOU HAVE TO AMEND YOUR STRATEGY IN ANY WAY?**

Like just about every exploration company globally, the pandemic has impacted our operations in Côte d'Ivoire. Prior to lockdown we were aware of the potential risk and had implemented some mitigation measures, and the leadership of the company has also acted to conserve cash by reducing corporate and administration costs. Initially we ceased all fieldwork to assess the risks and see how the in-country restrictions would affect things. After seeking advice from the Ivorian authorities, Manas resumed activities in early May while minimising the risk to staff and local communities. We're monitoring the situation closely and will be able to respond accordingly if infection flares up again. Obviously since our cash position is strong, we're able to proceed more or less as planned with minimal inconvenience.

**ASIDE FROM THE PANDEMIC, ARE THERE ANY KEY CHALLENGES ASSOCIATED WITH THE MGP PROJECT? HAVE YOU IDENTIFIED ANY OPPORTUNITIES THAT YOU WISH TO UNLOCK DURING PROJECT DEVELOPMENT?**

The main challenges to the MGP are that if gold mineralised zones don't have the thickness or grade to make a substantial standalone economic deposit, we would need to consider toll treating any potential resource. However if that proves to be the case, there's always the potential for any resources that we identify to be incorporated into the plans of the two mines within 50km of the project.

**ANY OTHER INFORMATION YOU'D LIKE TO IMPART?**

Obviously the world of exploration and gold mining post-COVID 19 will be different. Because of our cash position we are well placed to take advantage of any opportunities arising. 2020 is certainly an interesting time to be a Manas shareholder. ■