Expert view: The broker

Hot prospect for Mariana

By Ryan Long

Mariana Resources* (MARLL) and joint-venture partner Lidyak Madencilik Sanayi ve Ticaret A.S. ("Lidyak") have made one of the most exciting discoveries of recent years at its Hot Maden Gold-Copper-Zinc Project, located in northeastern Turkey.

Following a recent resource upgrade, the Hot Maden Project now has a total JORC compliant mineral resource estimate of c. 4m oz Au eq at a grade of c. 10.2g/t Au eq. (based on NCP’s metal price assumptions). Mariana’s 39% interest in this high-grade project is equivalent to c. 1.2m oz Au eq at an impressive grade of c. 10.2g/t Au.

At the project, the joint venture partners now established three zones of mineralisation: the Main Zone that contains 3.4m oz Au eq at a grade of 15g/t (Indicated); the Southern Zone that contains 0.4m oz Au eq at a grade of 8.1g/t Au eq (Inferred); and a Hangingwall Zinc Zone that contains around 114 kt of zinc at a grade of 4% Zn (Inferred).

Within the Main Zone there is an area of ultra-high-grade mineralisation. This ultra-high-grade zone makes the Hot Maden Project even more attractive as it contains 2.5m oz Au eq at an exceptional grade of 36.9g/t Au eq (Indicated). Infill and exploration drilling is expected to continue in 2016, with 30,000m budgeted for the year, adding the potential for further resource expansions.

The Southern Zone, is the joint venture’s latest discovery and is now just starting to come into its own with the first phase of drilling in the area defining 0.4m oz Au eq from just 17 holes drilled. This Zone remains open along strike and at depth and with additional work there is the potential for this Zone to continue to grow.

Hot Maden Project Location

Source: Mariana Resources

has not been a priority for the joint venture given the high-grade nature of the gold-copper mineralisation but as the initial mineral resource estimate for this zone comes from drilling that did not actively target the area, it could also provide additional upside with targeted drilling.

Mariana also recently completed a dual listing on the TSX-V (MRA). The Company believes that access to the North American market will improve the liquidity of its shares, opening the business to buyers from another market where most of its high-grade peers are also listed and largely valued on higher multiples.

While the political climate in Turkey has been fraught with an attempted coup d’etat and terrorist attacks on major infrastructure, Mariana and its joint venture partner have continued to operate without operational delays. The project is located in a rural part of Turkey that has seen none of the tensions experienced by other areas.

Mariana is currently working to complete a preliminary economic assessment (PEA) of the project towards the end of September/start of October. This will give investors the first impressions of the project’s metrics. Given the high-grade nature of the mineralisation, its large width and proximity to the surface, we would expect the metrics to be comparable to that of other high-grade deposits. The PEA is expected to be followed by a preliminary feasibility study (PFS) due to be completed in H2/17. The fast pace of advancement means the joint-venture partners will have moved the project from discovery to PFS in just 38 months, a remarkable achievement.

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*Northland Capital Partners Ltd provides commissioned research services to Mariana Resources.