Mariana resumes Argentina focus

A share of one of Europe’s hottest emerging gold projects has given Mariana Resources the financial latitude to keep spending ticking over on some interesting South American opportunities. Chief among them is the Santa Cruz ground in Argentina that underpinned a market value of about GBP95 million (£546 million today) before Hot Maden came into the picture.

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New start ... Mariana’s Los Corredor project office after a rain storm cleared

AIM-listed Mariana’s return to the Toronto venture exchange has reopened that equity funding channel for the impressive Hot Maden gold project in Turkey, where it has a 30% joint venture stake with local partner Lidya. The pair are nearing completion of a 20,000m drilling programme, results of which are underpinning project pre-feasibility and preliminary economic assessment studies, and adding to exploration potential south of the existing 3.87-million-ounce (gold equivalent) project resource.
But North American institutional and retail investors also have an appetite for Argentina resources stories and Mariana is keen to put Las Calandrias back on the agenda with up to US$1 million understood to be available to progress it and nearby prospects over the next 6-12 months if results warrant.

The company had outlined an indicated resource of 492,000oz (519,000oz gold-equivalent) by 2012 after drilling revealed a promising dome-related epithermal system at Las Calandrias three years earlier.

Mariana CEO Glen Parsons told Mining Journal Las Calandrias was the company's main asset before the industry downturn hit in 2012-13.

“We really are quite bullish on the country. Mariana has been operating in Argentina since 2007 – we are not coming in cold as others are,” he said.

“Las Calandrias ... is now being revisited in terms of both its development potential – especially the high grade La Calandria Norte vein/breccia system, and the oxide portion of the bulk-tonnage La Calandria Sur discovery. [There is] significant upside potential for the discovery of new high-grade veins.

“So it certainly warrants Mariana getting that [previous] value reinstated.”

Hot Maden and a strong gold price have underpinned Mariana’s (AIM: MARL) 270% share-price surge since the start of the year, giving it a market capitalisation this week of about US$88 million.

The company did do some more scout drilling around Las Calandrias early last year when Argentina was still on the political outer, and bonanza drill results at Hot Maden were overshadowing plenty of other gold projects. That work, though, did return some high-grade silver and gold samples at Los Cisnes, south of Las Calandrias, which were “very worthy of follow-up”. The area has silver-gold veins and breccias at El Brio, and rhyolite-dome hosted gold mineralisation at El Solar that might develop into a bulk-tonnage target.

“We’ve got four project areas in Santa Cruz down in the southern part of Argentina,” Parsons said.

“Las Calandrias is really like a district play for us – we do have quite a large tenement holding. The base we are working from is the first disseminated gold resource, but we also have identified within this the northern vein breccia resource area where we have around 50,000oz at roughly 10gpt. So there is an ability to grow that and that’s really what we’re looking at as we add to the high-grade story.”

To the north, Bozal also has high-grade vein targets that form part of the “district play”.

To the west, Mariana has an “internal resource” on Sierra Blanca.

Elsewhere in South America the company has assessed opportunities in Chile and Peru, and according to Parsons, continues to look for others.

“Our main objective is to acquire projects that really offer economic scale. We have retained a bit of market leverage, in terms of our ability to raise money – it’s still not that easy to get pure exploration money – and over the last 6-12 months we’ve been assessing opportunities where others have perhaps been a bit quiet,” he said.