

Eureka moment for Torian at Zuleika

Torian Resources (ASX:TNR) is applying its exploration nous to fast-track development at its growing asset base in Western Australia's highly prospective Goldfields Region. Ngaire McDiarmid reports



Torian's exploration is generating high-grade gold results

Gold-focussed explorer Torian Resources is cashed up with a busy programme ahead to progress its promising high-grade projects in the Goldfields. It is about to follow up on exciting gold results at its flagship Zuleika Joint Venture, and conduct drilling to improve confidence at its existing gold resources near Leonora.

Torian is also keeping an eye out for further consolidation and acquisition opportunities and will continue to assess the best way to leverage value from its four WA gold projects.

Strong high-grade results from Torian's initial drilling programme at Zuleika have the company fast-tracking work towards establishing a resource definition.

The Zuleika JV lies 50km north-west of Kalgoorlie in a sought-after gold mining region. The joint venture is with Cascade Resources, a privately held company.



Torian managing director Matthew Sullivan (left) said the Zuleika JV lay partly along strike of several major gold mines including Evolution Mining's Frog's Leg gold mine and the multi-million ounce East Kundana Joint Venture owned by Northern Star Resources, Tribune Resources and Rand Mining.

Torian's phase one drilling programme at Zuleika wrapped up in March and established a 1km-long mineralised zone along strike of East Kundana.

Historical drill results on the Zuleika tenements included 1m at 58.8g/t gold from 1m and 3m at 22.72g/t gold from 66m as well as 1m at 50.4g/t gold from 84m.

"These results show that our ground is highly prospective for high-grade gold deposits," Sullivan said. Matthew was involved in the discoveries of Kanowna Belle and East Kundana and knows the area well.

"It's elephant country out here and most of our ground is along strike from Kundana," he said.

"A number of other companies are having a lot of success around us – Northern Star's high-grade Pegasus discovery is more than 1 million ounces at a grade comfortably above 10g/t gold."

Sullivan said the Zuleika region had seen more than A\$1 billion worth of acquisitions in recent years and Torian's increased landholding and systematic exploration put it in an excellent position to capitalise on this.

The company has become the second-largest landholder in the area, increasing the JV project size by 75% since May 2015 to about 222sq.km through more than a dozen acquisitions.

Torian is about to start the second of a four-phase drilling programme at Zuleika as part of its aggressive growth strategy.

The company is well-funded for this next stage of exploration after a successful A\$3.3 million placement to sophisticated and institutional investors in early July.

Torian non-executive chairman Andrew Sparke said the company was delighted with the demand and pleased to welcome a number of high-profile institutional investors to the register.

The company's second exploration target area is at the high-grade Mt Stirling Well resource 40km north-west of Leonora, within Torian's 100%-owned Mt Stirling project. The outcropping JORC inferred resource contains 41,300 tonnes at 8.54g/t gold.



A 51-hole drilling programme was completed in March at Mt Stirling Well with numerous intersections greater than 10g/t gold. Highlights included 2m at 30.35g/t gold from 35m, including 1m at 47.4g/t. Sullivan said importantly, the recent drilling did not close off the resource.

“We’re going to assess the project’s viability as a standalone mining operation,” he told Mining Journal from Kalgoorlie.

“We have always believed in the potential at Mt Stirling.”

The company has a busy drilling programme ahead

He said the existing resource did not take the recent drilling results into account and he was confident it had the potential to grow significantly.

Infill and step-out drilling is being designed to increase confidence as the company moves towards an internal economic study. It is also undertaking metallurgical test work for Mt Stirling Well.

Torian has made a number of strategic partnerships to progress its projects, including setting up a drill for equity arrangement.

“We’ve got a number of really great supporters,” Sullivan said. “With the softening of the iron ore price, contractors are being more realistic about rates and availability.

“And with the global uncertainties pushing the gold price up, it’s a great time to be in gold.”

Sullivan said Torian had been approached about a possible farm-out of its Bardoc and Malcolm projects which showed just how much interest there was in the area but that nothing was settled and discussions were ongoing.

The company acquired the Bardoc project in April where Cascade also has a number of tenements. The 38.6sqkm project lies 3km north of new producer Excelsior Gold’s Kalgoorlie North gold mine.

Sullivan said the company had also been approached about its Zuleika project by several major mining companies with a variety of proposals.

“It’s safe to say that a number of people have been talking to us about the possibility of getting involved,” he said. “We’re assessing these proposals and want to work closely with our neighbours and other groups with the objective of achieving mutually beneficial outcomes.”

He said while no formal agreements had been made, discussions were continuing.

Meanwhile, Torian’s ongoing exploration at Zuleika means the company is achieving its earn-in milestones for the joint venture with Cascade, where Torian can earn up to 49% interest.



Torian is actively exploring its Goldfields tenements

There are talks of a merger between the two companies but Torian is also in talks with other parties and has strengthened its corporate position.

The company established an advisory board in December 2015, allowing Torian to gain valuable skills to aid its development while minimising the costs of attracting a highly skilled and successful management team.

Sullivan said the company was entering an exciting development phase in 2016 and the changes provided the skills and experience to navigate the future.

In a further boost, mining executive Glenn Jardine was appointed as a non-executive director to the board in May. The former LionOre managing director brings more than 25 years' experience in project development, operations and corporate activities.

“Torian has created a strong position for itself in the Goldfields,” Sullivan said.

“Torian is a small company that is moving fast. We’ve got a lot on with our continuing drilling programmes and our acquisition strategy.

“We’ll keep discussions going about potential future partnerships and farm-outs.

“The company wants to find the gold mines of the future and we’re really excited about the potential not only at Zuleika but at our other projects as well. It keeps us very busy.”

Torian Resources – At a glance



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