

Interest builds for Oklo

Oklo Resources Ltd has undergone somewhat of a transition in the past two years and is now well positioned to take advantage of the renewed interest in the West African gold space.

Simon Taylor took on the position of managing director in March 2015, with Dr Madani Diallo and Andrew Boyd joining him on the board of Mali-focused Oklo at the same time.

Diallo is well-known in mining circles after a stint as BHP Billiton Ltd's exploration manager, while of more relevance to Oklo is his "knighthood-like" recognition in Mali for his contribution to the country's gold sector.

Diallo played a key part in the discovery of Sadiola (13 moz), Morila (8.5 moz), Syama (7.9 moz), Essakane (5.3 moz) and other gold deposits, providing a fountain of knowledge to Oklo as director and country manager.

Companies will be hard pressed to find a similar credentialed individual in Mali as Diallo, however, Oklo appears to have found a geophysicist in Boyd with a complementary skill set.

Boyd was the general manager for Papillon Resources and has over 20 years experience in the mining and exploration sector.

Boyd's form with Papillon at the 5.15 moz Fekola gold deposit prior to the merger with Canada's B2Gold Corp will be critical in Oklo's success.

Oklo is exploring a package, about 30km east of Fekola, which is pretty much virgin territory.

The company has more



Oklo will continue drilling until the wet season in July

than 1,300sq km of ground in Mali, with the likes of Yanfolila, Kolondieba, Sirakourou and Solabougouda in the country's south-east and Socaf in the north all to play second fiddle to Moussala and Dandoko, near Fekola.

A year ago, Moussala, 15km

from Fekola, had never been drilled but Oklo has since embarked on an aggressive campaign at the property.

The company has completed over 50,000m of auger drilling at Moussala and Dandoko, with about 8,000m of RC drilling finished at Dia-

barou and Disse.

Taylor told **Gold Mining Journal** drilling would continue for a few more months, with a 25,000m aircore/RC programme advancing at the time of print.

"We have ongoing drilling all the way through to the wet season in July," he said.

"We are cashed up to complete these programmes and we don't need to raise money to complete that. The trigger [for more investor interest in Oklo] will be getting more holes into things like Seko and proving that the gold extends into the bedrock and then we can start drilling out a resource."

Infill drilling at Seko, within the Dandoko project, has started with auger results indicating the trend extends for 1.6km with grades up to 3.28 g/t gold. Meanwhile, at Seko East, the gold trend extends over 2km with grades up to 2.44 g/t gold.

Also at Dandoko, significant gold-in-soil anomalies



With country manager Madani Diallo, chief geologist Djibril Diakite and technical consultant Andrew Boyd, Oklo now has the team in place to thrive in Mali

identified from drilling at Diabarou (29m @ 10.42 g/t gold, 6m @ 53.77 g/t, 28m @ 3.9 g/t); Disse (21m @ 5.67 g/t and 13m @ 4.69 g/t) and the 6km-long Selingouma (18m @ 1.75 g/t) have attracted new attention to Oklo.

"With the new shallow auger results that we have been putting out next to big gold deposits... the size of the auger anomalies that we are finding are the potential size for the next big discovery. We now have to put some deeper aircore holes in to test these new zones," Taylor said.

"We have seen some changes on our share register and I think companies like Chalice [Gold Mines Ltd] are starting to recognise that we have a really good team in place and very underexplored ground. We are producing very coherent, robust results and there are not many places in the world where you can have an area with very little

Assay results returned from seven RC holes at Disse at the time of print further enhanced the Seko discovery.

Step-out drilling along the interpreted south-east trending zone on 150m spaced lines over a strike of 550m included 16m @ 3 g/t gold including 3m @ 10.12 g/t; 3m @ 22.67 g/t including 1m @ 64.8 g/t; 4m @ 8.39 g/t including 2m @ 15.85 g/t and 16m @ 1.21 g/t including 2m @ 5.1 g/t.

Meanwhile, infill auger drilling at Seko has delineated a new gold trend at Seko West over 1.2km.

Furthermore, new gold anomalies at Dabia, Dabia West and Seko South compare favourably with those already outlined at Seko.

Oklo was conducting a range of drilling programmes at a number of prospects at the time of print as part of the phase two 25,000m programme at Dandoko and Moussala projects. The phase one programme completed included 40,000m of drilling.

At the time of print Oklo was trading at six-month highs of 20.5c/share.

drilling done with potential to find some very big deposits."

Earlier in the year, Chalice bought almost 8% of Oklo stock on-market and sits behind 1832 Asset Management (8.78%) as a major shareholder.

Ack Pty Ltd, Hawkestone Group, Pershing Australia Nominees, Terra Capital and

GP Securities Pty Ltd are other major shareholders in Oklo, while non-executive chairman Michael Fotios executed a right to 1 million options exercisable at 12.5c/share (which was due to expire June 30) in February.

There is definite interest building in the Oklo story, with Taylor also swamped at

the 121 Mining Investment Conference in Cape Town recently.

"There were funds there that wouldn't normally look at you unless your market cap is above \$50-100 million but they are looking down the curve at some of the up and coming explorers," he said.

The momentum continued for Oklo in Perth recently with an assumed one-on-one meeting with Euroz turning into something much bigger with a dozen people from the firm attending the meeting.

With enough cash – \$7.2 million and market cap of \$45.9 million – Oklo is focussed on drilling in Mali, rather than raising money.

Oklo had managed to pull \$10 million into the coffers in May 2016 and a further \$3 million worth of listed options due in June will keep Oklo well-funded this year.

– Mark Andrews

Fekola tracking ahead of schedule

B2Gold Corp is set to bring its Fekola gold project in Mali online before the end of the year.

On the opening day of Mining Indaba in Cape Town, B2Gold revealed construction at Fekola was tracking three months ahead of schedule and first production was now set for October 2017.

Fekola was acquired by B2Gold from Australia's Papillion Resources in mid-2014 and will become the company's second operating mine in Africa, alongside Otjikoto in Namibia.

News of first production from Fekola came on the same day the company reported record gold production of 550,423oz for the 2016 calendar year, including record output of 166,285oz from Otjikoto, up 14% on the previous year.

B2Gold also reported record annual consolidated gold revenue of \$US683 million from the sale of 548,281oz at an average price of \$US1,246/oz.

Speaking to delegates at Mining Indaba, B2Gold president and chief executive Clive Johnson said the next 12 months would be an exciting time for the company and its shareholders.

"Our job today is to create value for our shareholders and the best way to do that is to develop mines, including the finish of construction at Fekola," Johnson said.

"We had licence from our shareholders to do the contrarian thing and acquire these projects and build them. We've done it ahead of the pack."

B2Gold expects to produce between 545,000oz

and 595,000oz gold, including 45,000-55,000oz of pre-commercial production from Fekola alone, at \$US940-970/oz AISC this year.

That output is expected to exceed 900,000oz in 2018 as production at Fekola ramps up.

B2Gold has also signed a €71.4 million equipment facility with Caterpillar Financial SARL for a series of upcoming work programmes at Fekola, subject to satisfaction of the conditions precedent.

The TSX-listed company, which is also the operator of gold mines in Nicaragua and the Philippines, landed a \$US350 million revolving credit facility to fund construction of Fekola, with \$US150 million drawn last September.

Gold pre-payments were also arranged as part of the financing package, with 9% of

projected production (about 51,600oz) to be delivered this year and 6% (also about 51,600oz) slated for delivery in 2018.

"I've always said throughout my career that bold initiatives, by definition, are done by the few, not the many," Johnson said.

"We were able to [fund Fekola] through some great financing work. Not only are we very good at building mines, we're very creative at how we go about financing these mines."

Johnson was confident Fekola would one day head underground, citing some recent exploration results to support that belief.

– Michael Washbourne