Waiting on the details

EMEA

01 May 2014 12:32pm GMT

Mining Journal

Michael Quinn

The numbers West African Resources Ltd is set to come out with for a heap leach project in Burkina Faso should make for an interesting comparison with those estimated earlier this year by Gryphon Minerals for a potentially broadly similar development.

Gryphon estimates it will cost US$79 million for a 2 million tonne per annum development leaching ore containing 800,000 ounces grading an average of 1.44gpt and producing an average of 71,000ozpa.

Few details have yet emerged from the West African Resources camp regarding the development they envisage, other than the intention for the Mankarga 5 deposit to yield plus-50,000ozpa within two years – all going to plan!

However, in late February West African Resources did say it was acquiring a second-hand 1.6Mtpa heap leach plant in Ghana, comprising crushers, agglomerator and conveyors all in good condition. While the consideration wasn't disclosed (at that time), a scoping study due this quarter should give investors in the broader West African goldspace another potential development to back, as well as daylight how Gryphon's project and previously slated capex stacks up.

For its part, Gryphon has flagged imminent granting of a formal mining licence, feasibility study completion in July, and financing thereafter.

While West African Resources managing director Richard Hyde wouldn't be drawn directly on how similar the capex estimate for Mankarga 5 might be to that of Gryphon's project, there was some intimation that a significantly lower capex figure is being targeted.

When asked about financing, Hyde was a tad more forthcoming, saying West African Resources was "looking at a number of funding ideas ... not just conventional bank debt/equity".

West African Resources completed a A$3 million raising early this month (to significantly boost its previously dwindling cash reserves of less than A$1 million) and was capitalised last week at about A$30 million.