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Torian passes internal test

Torian is moving into the next phase of drilling at the Mt Stirling gold camp, about 40km north-west of Leonora



While the actual results fell short of market expectations, initial drilling at the Mt Stirling gold project handed the team at Torian Resources Ltd all the information required to move into the next phase of exploration.

Shares in Torian surged nearly 200% in the weeks leading up to the unveiling of results from the first of eight RC holes drilled into a key area of interest at Mt Stirling, about 40km north-west of Leonora.

Despite drilling returning assays of 4m @ 8.84 g/t gold (including 33.1 g/t over 1m) and 24m @ 1.26 g/t (including 2.89 g/t over 7m) and wide widths of quartz-carbonate veins hosting pyrite observed in all holes, the market was expecting more and Torian's stock retreated slightly.

It was a different story internally for Torian's new board and management team, with the company indicating the results only reaffirmed their belief that Mt Stirling is host to a potentially very large gold system in a district already containing Gwalia (4.8 moz), King of the Hills (4 moz) and Thunderbox (3.8 moz).

Speaking to *Paydirt* last month, Torian executive director Paul Summers suggested the current heat in the gold sector may have given some investors a false sense of belief.

"I think the danger at the moment – and we certainly discovered that with the results of our first hole – is that for us to express our own excitement [it] can be misread by the market because right now this sector appears to be running very hot," Summers said.

"Looking back, I think perhaps our investor market got a little too enthusiastic prior to the release of our first results. I think their expectations were a little bit unrealistic. We're now probably at a more realistic level, considering it was initially only one hole that was being released.

"We actually did that hole because we were more interested ourselves in terms of what we were seeing brought to the surface looked very prospective. Since then, we haven't seen any difference in the material on any of the other holes, and all of that is in line with our expectations to move into this next phase."

Torian is currently refining targets for the next phase of drilling at Mt Stirling. Up to 12,000m of RC and diamond drilling has been flagged to begin imminently and will be funded from a recent \$2.2 million rights issue.

Among the targets that will be followed up in this next programme are the historic Diorite King and Diorite Queen mines where grades of up to 73 g/t gold were previously reported.

Summers is especially looking forward to drilling some deeper holes into the project given its proximity to several operating underground mines.

"If you look at Sons of Gwalia, that is a very deep resource, and given we're now getting pretty deep – I think the last 3m [of our first hole] was in excess of 5 g/t gold – we will have to do some diamond," he said.

"Our desktop studies have revealed this ground is extremely prospective. There's a lot of historic workings in the area and the more we keep looking, the more exciting it is becoming."

Some funds will also be tipped towards ongoing sampling and mapping at the company's Mt Monger/Wombola project which lies within touching distance of Silver Lake Resources Ltd's Mt Monger mining operation in the Eastern Goldfields.

As part of the board and company restructure undertaken earlier this year, Torian decided to streamline its focus on Mt Stirling

and Mt Monger/Wombola. In doing so, the company has started farming out its Zuleika exploration project to Dampier Gold Ltd.

Torian also has a JV agreement with Dampier over the Credo Well project in the Kalgoorlie region.

"We always thought Zuleika was just too vast a project for a company like ours," Summers said.

"At the moment our main focus is that Stirling/Diorite area. We're leaning on a lot of the local knowledge – there are some very knowledgeable prospectors in the area – and lately the increase in technology has made accessibility to information about the ground so much better.

"There's been a massive amount of sampling done at the Diorite area and we're assessing that now. All things going well, at some point in the future, we could have two operating projects in that Stirling/Diorite area."

Torian recently announced it was debt-free following the early conversion of a convertible note by major shareholder Nova Minerals Ltd – an ASX-listed explorer focused on North America – which joined the register earlier this year.

Nova chairman Louie Simens also heads the Torian board, with Peretz Schapiro last month stepping up to an executive director role.

"The three directors work very well together, we're a very cohesive team because each of us has our own defined role," Summers said.

"If I received a criticism of the company in the past, it would have been its management. The company may have been technically strong but lacked in good management."

– Michael Washbourne