

West Africa offers rich rewards for bold investors

SPINIFEX
STUART MCKINNON



Investing in West African gold plays doesn't suit the risk profile of every investor.

But the success of Perseus Mining and more recently West African Resources highlight the rewards on offer for those willing to take a punt on companies operating outside the comforts of WA.

Chesser Resources is one of a swag of junior explorers plying their trade in the region that are worth a closer look.

The company has recently made two high-grade discoveries at its Diamba Sud project in eastern Senegal with a maiden

resource expected next month.

Diamba Sud sits in the rich Senegal-Mali Shear Zone, which is peppered with multi-million-ounce deposits such as Barrick's Loulo-Goukoto operations, B2Gold's Fekola mine and Iamgold's Boto project.

At the unimaginatively named Area D prospect, Chesser has identified a shallow, flat-lying, high-grade ore body, which has yielded intersections including 16m at 23.4g/t and 48m at 6.7g/t.

The Mark Connelly-chaired company has also identified continuous, high-grade mineralisation over 250m of strike at its Area A prospect.

Recent drilling has delivered intersections of 44m at 5.3g/t and 16m at 7.3g/t.

Chesser is pursuing a dual

strategy at Diamba Sub with ongoing drilling to shore up its find and ongoing studies to expedite development.

The company is eyeing a 1Mtpa standalone operation, producing about 100,000ozpa over a 6-7 year mine life.

Chesser's managing director Andrew Grove sees Diamba Sud as analogous with Perseus' Sissingue mine in the Ivory Coast.

The shallow nature of the ore body is expected to make it a low-strip, low-cost operation with a quick payback period. And early metallurgical work has estimated solid 96 per cent recovery rates from its oxide ore.

Senegal is considered one of the better mining jurisdictions in West Africa with a stable

democracy and a president, Macky Sall, who is also a geologist and geophysicist. With \$7.3m in the bank, Chesser is well placed to continue its drilling and project development plans in the short term.

While more work is required to declare and lift its resource, the company could become part of a consolidation play given Barrick's active presence immediately east of Diamba Sud and Iamgold to its south.

Chesser recently caught the eye of TSX-listed China-focused silver miner Silver Corp, which emerged as a 5 per cent shareholder. The stock closed at 14¢ on Friday but Euroz Hartleys has a price target of 30¢, anticipating a maiden resource of +500,000oz.