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Stratex International Plc

('Stratex' or 'the Company')

Operating Update: Turkey and Africa Investments

Stratex International Plc, the AIM quoted exploration and development company focused on gold and base metals in Turkey and Africa provides an update on its 45% stake in the Altintepe Gold Mine ("Altintepe") in Turkey and its investments in various exploration ventures in East and West Africa.

Altintepe Gold Mine, Turkey (Stratex ownership: 45%)

Mining operations have stabilised with significant progress made in pre-stripping lower grade areas. The continued success of the mining operations at Altintepe, during its first year of operation, has demonstrated that the pre-production defined reserves are accurately reflected in the life of mine plan. Stratex management is confident that the mine will deliver significant long term cash flow.

Estimated production for the financial year ended 31 December 2016 is 35.8 koz gold and 41.6 koz silver, generating total revenues for the mine in excess of US\$45m.

A drilling programme was completed during the fourth quarter of 2016, providing additional delineation of the defined ore reserve.

Under our current agreement with Bahar Madencilik ("Bahar"), our Turkish partners, Stratex is to be paid 20% of net cash generated by Altintepe until such time as the capital invested by Bahar is repaid, from which time Stratex's share of net cash will revert to 45%. Notwithstanding the demonstrated steady-state mining operations in 2016, relatively low AISC (all-in sustaining costs) and a strong cash position at year end in the project vehicle, Stratex has yet to receive a cash distribution from Bahar. Stratex believes this is contrary to Bahar's contractual obligations under their agreement. Ongoing discussions have, to date, failed to resolve this impasse and the Company will be undertaking appropriate steps to enforce Stratex's rights.

Thani Stratex Resources Limited ("Thani Stratex") (Stratex ownership: 30.4%)

Thani Stratex has recently announced excellent results for its Anbat Project in Egypt. Following the definition of a revised geological model, which interpreted a shallow zone of near-surface gold mineralisation, two diamond drill holes tested the ground to the east and west of an identified intrusive porphyry. The holes yielded best results of 58.06 m @ 2.09 g/t Au and 23.55 m @ 4.38 g/t Au from 69.65 m, including 4 m @ 12.59 g/t Au from 74 m (TDAND-001) and 14.5 m @ 1.92 g/t Au from 136.7 m (TDAND-002), respectively. These results have confirmed continuity of mineralisation defined by historic drilling. A further three holes (TDAND-003, -004 and -005) have confirmed the geometry of the zone, with visible gold observed in hole TDAND-004. Results for the three further holes are awaited.

Field work has defined a further new zone of alteration 500m to the east of TDAND-001. The entire area will be re-mapped and historic drill core will be re-logged to assist with future drill targeting.

Thani Stratex have also drilled 12 holes at the newly discovered Anbat North zone, confirming Sukari-style Intrusion Hosted Gold mineralisation, where gold is associated with thin quartz veins and sulphides. The degree of alteration and veining/sulphides is similar to the top to the Sukari deposit, displaying multiple, broad, low-grade gold zones with occasional high grade veins. Whilst the drilling returned best intercepts of:

- 5 m @ 2.07 g/t Au from 18 m;
- 2.75 m @ 1.58 g/t Au from 72.4 m (NAD-001);
- 1.3 m @ 26.7 g/t Au from 108 m (NAD-005); and
- 7.70 m @ 2.32 g/t Au from 102.3 m (NAD-006),

the prospect requires more work to prove its economics. Thani Stratex plan to use new funds to target large outcropping veins at the Nofret Zone, located between Anbat and Anbat North.

Thani Stratex has also announced the commencement of a 2,000 m diamond drill programme at Stratex's former Pandora Epithermal Gold Project in Djibouti. The aim of the drilling is to confirm the (vertical) depth continuity of gold mineralization at the Pandora South and Pandora Central zones, where previous channel-chip sampling has returned surface values of up to 5 m @ 10.80 g/t Au and 1.9 m @ 20.3 g/t Au, respectively. As at 14th February 2017, eight holes had been completed for c.730 metres. Assay results are awaited. At Asaleyta, a similar system 16 km to the North, drilling during 2016 confirmed vertical continuity to a depth of at least 175 m and returned best intercepts of 17.40 m @ 2.24 g/t Au from surface (AY-DD-03), 3.16 m @ 6.79 g/t Au from 20 m (AY-DD-03) and 1.58 m @ 8.67 g/t Au.

For further details, announcements by Thani Stratex can be found at <http://www.thanistratex.com/news>

Goldstone Resources Limited (“Goldstone”) (Stratex ownership: 33.45%)

Goldstone’s Homase/Akrokerry gold exploration project already has a 600 koz Au JORC compliant resource and its 2016 programme has focused primarily on further delineating its existing oxide resource of 100 koz.

Previously announced results from its current drilling programme over the previous two quarters continue to deliver positive results, confirming the continuity of the identified mineralised zone beneath the base of the historic open pit. Best results include:

- 21 m @ 1.98 g/t Au from 143 m (including 7.4 m @ 3.37 g/t Au); and
- 23.3 m @ 1.39 g/t Au from 170 m (including 6 m @ 4.44 g/t Au from 187.3 m and 3 m @ 8.21 g/t Au from 190 m).

Additionally, after review of a 2012 VTEM survey, an auger programme was undertaken to test three of the initial nine targets identified. Assays from these targets demonstrate some degree of gold anomalism with two areas of particular significance. Goldstone is planning a 2017 drilling programme, which will primarily focus on resource conversion drilling and on expanding the existing Homase resource.

The full text of the announcement by Goldstone can be found at <http://www.goldstoneresources.com/investors/news-releases.html>

Dalafin Exploration Project (“Dalafin”) (Stratex ownership: 85%)

Stratex is currently renegotiating its agreement with our Senegalese partners, EMC, with regards to our Dalafin project. The Company is currently reviewing all data ahead of further exploration.

Stratex’s Chief Executive Officer, Marcus Engelbrecht, said: **“The Altintepe gold mine represents a highly attractive project and has demonstrated over 2016 that it is a robust, low-cost gold operation and we are confident that it will generate significant cash flow over its operating life. Management will remain in communication with our partners and will be taking all necessary action to ensure we obtain our net cash distribution under the agreement.**

The extremely positive results from the drilling programmes at Thani Stratex’s exploration projects in both Egypt and Djibouti are very encouraging and confirm our confidence in the prospectivity of both the districts and the projects.

We look forward to further updating shareholders on all our projects and work streams in due course.”

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 (“MAR”). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Notes to Editors:

Since listing in 2006, Stratex has discovered more than 2.2 million ounces of gold and 7.09 million ounces of silver, as well as 186,000 tonnes of copper. The Company owns a 45% share of the Altıntepe Gold Mine in Turkey. It also owns 15% of the Muratdere copper-gold project, which is at feasibility stage, and an exciting exploration project in Senegal.

This information is provided by RNS
The company news service from the London Stock Exchange

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