

Guyana Goldstrike looks for sweet spot

Guyana Goldstrike (CN:GYA) has a few advantages over peers in the junior gold space. It has a mining licence in place at the Marudi project in Guyana, is already generating cash flow and has a historic resource estimate to work from.

[Dan Gleeson](#) | 26 Sep 2017 | 10:19 | Feature



Trenching is the next step at Marudi for Guyana Goldstrike

It is no wonder CEO Peter Berdusco is adamant the C\$8.4 million (US\$6.8 million) capitalised company is undervalued.

While there are a number of companies exploring the northern parts of the country, Guyana Goldstrike is concentrating on the relatively quiet southern end with Marudi. It is currently earning into the project through an option agreement, and thinks there is potential for a land consolidation play down the line too.

For now, it is focused on planning out a phase one exploration programme with the proceeds from the \$1.7 million it recently raised.

This is likely to involve trenching, with the main focus being the Marudi North area and locations where similar work was carried in 2012 out by previous owners.

Some of this will hit the historic resource of 390,000 ounces at 2.8g/t Au, but the company is not limiting itself to this modest footprint. It has a target of defining a 1.5-2 million ounce openpit resource that Berdusco believes could translate to a seven-to-10-year mine life.

Phase one trenching will be followed up by a course of diamond drilling in phase two. After 18 months work, it is hopeful of being able to start a third programme to produce a 43-101 compliant resource estimate.

The company already has cash in its coffers, yet it has more coming in from gold sales at Marudi.

Back in June, the company announced it had produced 910oz of gold as part of its cooperative with local artisanal miners.

As part of this pact, the miners pay the company a 10% royalty on all gold produced.

This is a canny move, getting both the government and local artisanal miners on side by siphoning off a fraction of its land position for a small operation, while providing some early-stage revenue.

The company has only earned US\$106,490 from sales of 90.9oz so far, but there is potential for more in the near term.

Both Teck Resources (CN:TECK.A) and Barrick Gold (CN:ABX) have had exposure to the project in the past through agreements with various juniors.

Berdusco, also CEO of Nexus Gold (CN:NXS), believes no company has yet been successful as Marudi is positioned in that tricky middle ground: too small for the majority of majors, but too big for those at the junior end of town.

He hopes Guyana Goldstrike ends up in that sweet spot.