

Kobada reborn

by Fraser Palamara

A refurbishment is under way on a large-scale gold project in south-west Mali following a corporate overhaul at Toubani Resources Ltd.

Formerly listed on the TSX-V as African Gold Group, Toubani has undergone a metamorphosis to solely trade on the ASX and pivot its development philosophy at the Kobada gold project, 126km south of Bamako.

Kobada hosts a 61.54mt @ 0.86 g/t gold for 1.7 moz measured and indicated resource, as well as a 42.03mt @ 1.06 g/t for 1.43 moz inferred resource. The project's breadwinner is the namesake main deposit, which has an open pit sprawling 4.5km and is open at both depth and direction.

Chief executive Phil Russo, who stepped into the role in January, believes Kobada's simple geological profile creates a sturdy launchpad for production.

"We've pivoted the strategy of the company," Russo told **GMJ**. "It's really oxide focused. We like the oxides because they go down 100m here which is unusual for other projects. They're free dig, no drill and no blast; you can have a stronger economic profile here."

According to a 2021 DFS, Kobada could produce 1.2 moz gold at AISC of \$US972/oz to achieve a NPV of \$US355 million with an IRR of 37.6% for payback after 3.2 years. The study was based on a gold price of \$US1,750/oz while the gold spot market achieved prices in excess of \$US2,000/oz last quarter.

West Africa's gold sector was privy to corporate action earlier this year after Chesser Resources Ltd and its Diamba Sud project in Senegal were acquired by the TSX listed Fortuna Silver Mines Inc for \$89 million.

While passionate to see Diamba Sud to production, Chesser managing director Andrew Grove conceded a larger company was the best suitor to take the project to next level. Prompted by Chesser's fate, Russo said Toubani has been

sorely depressed on market value but hopes to present Kobada's worth to the ASX by taking the project to a mine-ready status.

At the time of print, Toubani's market cap was \$16.35 million. "Bringing someone in and opening the data room to the whole world, what's that going to yield us? A \$20-30 million outcome? That's not why we're here," Russo said. "We want a \$100 million outcome, if not more. We want to have a credible path to production. If we are not here to bring this to production, then what are we doing? Packaging [Kobada] up for sale is not part of the strategy."

First priority for Toubani is retreading the groundwork laid by the DFS, which was undertaken by an essentially different company, as Russo puts it.

"First thing's first, let's get the technical work really well understood," he said. "The work we're doing now is on the DFS, going through it and putting the stamp on that because the company has completely changed."

Toubani bolstered its corporate roster in May with the appointment of non-executive directors Mark Strizek and Scott Perry. Strizek worked with Tietto Minerals Ltd from IPO to first pour at its 4.2 mtpa Abujar gold mine in Cote d'Ivoire – now an ASX300 company. Perry previously served as chief executive and director of the Canadian-based Centerra Gold Inc between 2015 to 2022.

Strizek and Perry's experience combine with Russo's previous work with Perseus Mining Ltd, Dacian Gold Ltd and Barrick Gold Corp.

Exploration opportunities at Kobada remain abundant after Toubani announced the previously undrilled Kobada West discovery, 1km from the main deposit, in May. First drill holes returned 9m @ 1.72 g/t gold (including 2m @ 6.26 g/t), 1m @ 11.3 g/t, 5m @ 1.26 g/t, 5m @ 1.24 g/t and 3m @ 0.93 g/t.

This success at the drill bit has extended the mineralisation at Kobada from 5km to 11km with the assays establishing a continuous, near-surface oxide gold mineralisation with consistent grades and thickness. Future exploration will focus on the Gosso, Kobada East and Kobada North targets.

"To set the record straight, [Kobada] hasn't actually been picked over," Russo said. "It's an asset that has flown under the radar of the whole market for whatever reasons historically. Now that we have come in and changed everything, it's a great opportunity to yield a result."

Past exploration at Toubani's Kobada gold project in Mali has been sparse, leaving much drilling to be done