



## PERSIAN GOLD

Persian Gold is an Irish based AIM quoted company in 2003 to examine and explore for large gold deposits in the altered volcanics of Iran. The Company's strategy is to discover significant porphyry copper-gold and volcanic hosted gold deposits similar to those found in the Andes of South America.

Iran possesses some of the largest natural resource deposits in the world particularly in the Tethyan belt, which stretches from Turkey over Iran to Pakistan. Largely unexplored in the last 30 years, Iran has low operating costs and excellent infrastructure with a highly educated and well trained workforce.

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### Persian Gold gets a seat at the table in Iran



by Wendy Durham

As we've noted before, John Teeling is not one of those who shuns geo-political risk. Angels may fear to tread, but Colombia, Iran, Iraq, Zimbabwe and other "difficult" countries appear to be meat and drink to the Teeling team.

It's a fact that there are virtually no easy mineral deposits left. All the comfy stuff - simple to locate, straightforward to prove up, on the surface, cheap to mine, with terrific local infrastructure, in risk-free countries with friendly mining legislation and speedy, efficient mining authorities - is already being mined. What's left is the hard stuff - literally. Look at any global geological map and you can clearly see that the most prospective mineral-rich regions of the world in the 21st century are the difficult ones, whose climate, geography and - lately - politics, have put off mineral explorers for years. The volcanogenic island archipelagos, clothed in dense jungle. The bleak and inhospitable mountain chains driven skyward by tectonic activity over the millennia, where exploration is only possible for half of the year. The vast deserts in the interiors of Tibet, China and Arabia where the remorseless movement of tectonic plates is still, even today, generating favourable conditions for mineralisation. The politically unstable areas like the Philippines, much of Indonesia, the 'Stans, the hinterland of India and the deserts of Eurasia.

Among these inhospitable mineral hosts is the Tethyan belt where it traverses Iran. Whilst there was a mining tradition several decades ago, in recent times the style of the fundamentalist regime has dissuaded international mining companies from sinking their financial and human resources into Iran. But five years ago, Persian Gold observed the mineral opportunities lying about just waiting to be grasped, and dipped a toe in the water. As the first western exploration company in Iran in recent years, Persian Gold definitely have first-mover advantage. With no political baggage due to their Irish nationality, they have kept their heads down, their noses clean, and concentrated quietly on doing what

they do – prospecting. The result is a comfortable relationship with the powers that be, and a growing respect on the part of those powers for a company that does what it says on the tin without making any waves.

Following a recent visit to Iran, John Teeling was upbeat about the projects now being brought to the company's attention. "Some are too small to really interest us," he explained, "whilst others are too big for us to manage without a partner, but the clear message is that the Iranians are now actively looking for outside investment in their mining industry."

"It will be on their own terms, of course," he continued, "and the serious projects will be shared 30/70, with the government or other local interests retaining the majority. But nonetheless, it's a distinct change. We've been offered all kinds of project, not just gold, but oil and even service industry opportunities. And right now we are reviewing a significant sized and well advanced project where we would have 30% ownership. Local finance is available for it, but western technology and expertise is badly needed to get the project properly off the ground. I hope we can make some kind of announcement about that shortly."

It was very noticeable, he said, that the atmosphere seemed different, too. "There's a more relaxed feel to everything, and you get the clear impression that the regime is liberalising to a degree. That's good for us, as we don't plan on giving up in Iran on our search for a really significant copper-gold project!"

The target for Persian Gold in Iran, Teeling explained, is something in the order of 350 million tonnes grading at least 0.5% copper and 0.5 g/t gold, capable of producing 50,000 tonnes of copper equivalent per annum. Thus far it has evaded them, although the company's existing smaller projects at Dalli and Chah e Zard are progressing well towards development. Scoping studies at the Dalli copper-gold project show that a US\$20 million investment would generate adequate returns using the SX/EW process route with copper at \$3600 per tonne and \$750 gold. "It's not spectacular," said Teeling, "but certainly worth doing, especially when copper prices recover in the fullness of time."

At Chah e Zard, Persian Gold are still awaiting their Discovery Certificate, without which they can't proceed to an exploitation licence. But Teeling is confident that the resource already identified of 160,000 ounces of gold and a million ounces of silver will become a mine. "It's a low cost project," he said, "because it's free oxide gold, and though leaching is an option, simple gravity concentration at a cost of about US\$4 million would do the job, giving us around 80% recovery. At 1.5% g/t, that means \$20 rock, so with mining costs of about \$8-9 maximum per tonne, we'd have a gross profit of about \$11-12 a tonne. On a per ounce basis, costs should be around \$300 per ounce." The project would start at about 1,000 ounces per month, but, says Teeling, this could be increased to around 20,000 ounces a year without difficulty, and ultimately, with the addition of leaching, could generate up to 60,000 ounces a year. "It will give us in the order of US\$4-5 million gross operating profit a year to start with," went on Teeling, "which will be useful cashflow and will add to our credibility as developers both in-country and at home." Takestan is still held up by the need for permits, and is therefore more or less on the back burner for now.

"In all," said Teeling, "we are happy with the way things are developing in Iran. We have loose arrangements with a couple of organisations, one of which is a bank with a mining development department, and the opportunities being offered to us are increasing all the time. These days, instead of knocking at the door, we get invited to the table!"