

Press Cuttings

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Stratex International Plc

Minesite

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Stratex International Has Teck Cominco As Its Friend In Turkey

By Jack Hammer

There are plenty of entries on the list of “nice problems to have” for mining companies these days, for majors no less than juniors, and Teck Cominco, the Vancouver-based diversified producer of zinc, coal and gold, amongst other things, is no exception. In Turkey, which is currently shaping up well as a serious mining country - at least in the west and centre, where there’s no troublesome Kurdish insurgency - Teck has teamed up with Aim-traded [Stratex](#) International in a classic out-sourcing deal. As long as the drill bit continues to produce the desired results, it looks like a win-win for both parties.

“They’re constrained by people more than anything else”, says [Stratex](#) executive chairman David Hall of Teck. “They’re not so much constrained by money.” So the deal is simple – [Stratex](#) supplies the people to do the work on the ground, ably directed by chief executive Bob Foster who has more than 33 years experience in the business. And Teck foots a sizeable part of the bill, backing into any project that turns out to be bigger than 1million ounces.

In the meantime, as the drilling work rolls on, [Stratex](#)'s investors, which include Teck, ought to be plenty reassured by Bob Foster’s job description on the [Stratex](#) website as an “economic” geologist. In spite of a fairly expansive portfolio, this is not a company that’s going to mess about drilling up marginal-looking properties in order to satisfy anyone’s academic curiosity.

“We can go in and show that there is a target which really is of interest,” says chairman David Hall. And if any of them don’t shape, he continues, “We’ll walk away at the earliest possible moment having spent the least amount of money”. There's no doubt that will happen at some stage, as it always does in mining. Mr Hall adds, as a matter of course, “Yes, we will turn things over”. But [Stratex](#)'s current portfolio is such that a steady turnover of projects ought not to discourage anyone. For one thing, there are plenty of prospects already inside the company to go to work on, so if one project turns out to be sub-economic rather than casting around for anything new the company simply has a straightforward decision to make as to which target to focus on next. The company's coffers were significantly booked by a £7million fundraising in June, so [Stratex](#) won't be running short of the necessary cash to work up new targets any time soon.

More immediately significant is that a couple of [Stratex](#)'s properties are already shaping up well. In the lead is the company's Inlice license, which covers part of a newly established gold zone called the Konya Volcanic Belt. Inlice has already yielded up 6.8million tonnes grading 1.72 g/t, giving just over 370,000 ounces. And by the year end, says David Hall, [Stratex](#) will have produced a new and improved resource statement, following an infill drilling programme and the investigation of new targets contiguous with the existing mineralisation. Meanwhile the rest of the Konya Belt, though at an earlier stage, is looking good enough for Teck to have stumped up \$3m to finance an airborne magnetic survey and to undertake 1,000metres of scout drilling, with a view to locating some serious drillable prospects.

A long way north, [Stratex](#)'s other ace in the hole is the 311,000 ounces already defined on the

Altintepe property, near the Black Sea. The company is working hard to add to that total too, and recently issued results from the latest round of drilling, which included grades of 18.5 g/t gold in outcropping rock. There the target is also at least 1million ounces, preferably 2million. The reason for that, says Mr Hall, is that [Stratex](#) would then be able to talk in round numbers about an in situ value of at least US\$1billion, assuming a US\$500 gold price. Of course, with gold currently at over US\$800, the number of ounces required drops to 1.25million if the company wants to talk about a US\$1billion resource. Such talk is largely academic, though, and in any case there's a long way to go yet before [Stratex](#) hits either number.