

# Avesoro Resources

05:00 10 Jan 2012

## Edison raises valuation of Aureus Mining's New Liberty project

Edison Investment Research has decided to increase its valuation of **Aureus Mining's (LON:AUE)** key project thanks to favourable currency exchange rates and the upcoming completion of the feasibility study.

The company is currently working on the feasibility study for its flagship New Liberty project in Liberia, which is on track to complete in the first quarter of 2012, including an announcement of reserve estimates.

Aureus has already completed diamond core drilling for the study, which should result in an update of the NI43-101 compliant resource estimate for the project in the current quarter.

The increase in Edison's valuation of the New Liberty project in Liberia from 133 pence per Aureus share to 143 pence, which was announced in today's report, was largely due to a decline in the US dollar exchange rate against the sterling.

The greenback has fallen from US\$1.63 per pound at the time of Edison's outlook note in September last year to the current exchange rate of US\$1.55 per pound.

In addition, the valuation is supported by the final set of drilling results from the New Liberty feasibility drilling programme. Edison analyst Charles Gibson said the results were consistent with upgrading the current inferred resource of 564,000 ounces into the indicated category.

According to Gibson's estimates, such an upgrade would add a further 14 pence per share, giving the company a total value of 239 pence per share, a massive premium to yesterday's closing price of 68 pence.

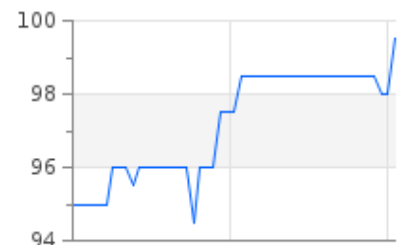
Gibson noted that with a resource of 1.5 million ounces at a grade of 3.72 grammes per tonne (g/t) of gold, New Liberty is one of West Africa's highest grade projects.

A preliminary economic assessment released in December pointed to a mine life of 8.5 years from the second half of 2013 with an annual production of 100,000 ounces at New Liberty.

The analyst also said that Aureus is well funded with US\$37.9 million in the bank at the end of September. The company's current cash burn rate is US\$5 million per quarter including US\$4 million in exploration spending, which means it has enough funds to operate for seven quarters, by which time major construction is set to have begun at the project.

Gibson attributes a further 59 pence per share for the remaining resources that

### 1 Year Share Price Graph



October 2019 November 2019 December 2019

### Share Information

**Code:** ASO

**Listing:** AIM

**Sector:** Gold & silver

**Website:**

### Company Synopsis:

*Avesoro Resources Inc. is engaged in the exploration and development of gold deposits in highly prospective and under-explored areas of Liberia and Cameroon.*

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were not included in the New Liberty preliminary economic assessment, its near term exploration potential and Aureus' 14 percent stake in Stellar Diamonds.

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