

# WEST AFRICAN MINERALS CORPORATION

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## West African Minerals eyeing early cash flow from Binga, says managing director

West African Minerals (LON:WAFM) reckons its Binga project represents a "gateway" to becoming one of the first hard-rock mining operations in the rapidly developing iron ore belt in Cameroon.

Within short truck haulage to an emerging deep water port at the entry/exit point for the whole sub-Saharan region, the Binga project bespeaks the company's strategy to explore and develop iron ore mineralisation offering significant margins - whether inherently high grade or close to coastal infrastructure.

This means the firm can then unlock further value working backwards into the interior southeast, where two large-scale iron resources have been established.

Therein lies the company's strategy – east meets west, or long term value with short term gains.

"What we are very much focused on now is what we are calling the potential for an early cash flow situation at Binga," said West African's managing director Anton Mauve.

Cash flow from a simple strip mining operation at Binga, he explains, will mean the explorer can fund further drilling to prove up more resources in the area, as well as rail infrastructure requirements.

"We can truck it (the iron ore) to the port because it's close by and we can get the ball rolling, literally developing both the rail infrastructure and the exploration from the coast back into the interior," he says.

The group's focus on Binga was underscored recently by news that it was considering a US\$6mIn fund raise to cover metallurgical testing, ground geophysics and other detailed economic definition work in 2014, which will improve the understanding of the economic viability of the project.

Talking to Proactive Investors recently at the Mines & Money event in London, Mauve said the plan was to publish a "starter" maiden resource for Binga, which can then be easily up-scaled through further infill drilling in 2014, to get underway as soon as possible.

Mauve wants to get what he calls a "jump" on other mining firms in the exciting Cameroon-Congo belt by being the first into production. The logistical costs of developing the lease are substantially lower than any of the more distant deposits in eastern Cameroon.

Of course, infrastructure development is key to unlocking the whole region and Mauve is upbeat about the Cameroon government's "2035 Vision" which contains plans to advance road, rail and port infrastructure.

Binga lies just about 60km from Kribi port where China Harbour & Engineering is completing the first phase. The first container ship is due to dock in June 2014, which will fire the starting gun for the whole southern region's export/import potential.

### Share Information

**Code:** WAFM

**Listing:** AIM

**Sector:** General mining & base metals

**Website:** westafricanminerals.com

### Company Synopsis:

*West African Minerals Corporation (formerly Emerging Metals Limited) is an iron ore mining and exploration group which has built a portfolio of iron ore assets in West Africa.*

[action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

West African is not the only company vying for top spot in this major emerging iron corridor that has already attracted comparisons to Australia's Pilbara. Significant acquisition activities have been shaping the region and the players are the who's-who of global iron and steel, namely China and Korea.

Among the companies recently in the news are Afferro Mining (LON:AFF), [Nkout-Ntem projects] which is being acquired by IMIC (LON:IMIC); Legend Mining's sale of its Ngovayang project to Jindal Steel & Power; and Sundance Resources [Mbarga project] currently in a tender process for rail and port infrastructure. Sundance has been making headway with the third phase of port development-- the mineral terminal--under a seven year plan for rail and port facilities for Mbarga.

But Mauve says WAFM has advanced infrastructure plans including terminal and jetty designs and road haul optionality which can support it being the first into production.

But that all hinges on being able to demonstrate that Binga has sufficient resources.

WAFM will release its first maiden resource for the Binga project next week which tests just 6km, in detail, of the 70 kilometre long trend defined by geophysics.

One of the important goals in 2014 is to increase the resource size sufficiently to support the start-up of a high margin 3-5 million tonnes per annum (Mtpa) - 12 year operation.

Mauve says, on that basis, they would consider the viability of building a smaller initial loading platform rather than a foundational jetty to cut capital costs.

"We can push that port infrastructure to happen in the next three years, whereas with the rail infrastructure and the final jetty system for interior deposits looks more like seven years to us."

He adds that the company will be looking at funding options in the new year, as current funds will have drawn down to US\$3m as planned by the end of 2013.

That will allow enough funds for the resource at Binga to go through metallurgical testing and for additional resource development.

By the end of 2014, West African would hope to have a preliminary economic assessment (PEA) report on Binga and will have started some early feasibility work, says Mauve.

Elsewhere at its other projects, namely in Sierra Leone, four of the five exploration licences (totalling over 680 square kilometres) are known to contain Marampa type haematite-enriched schist mineralisation shown (by nearby operators) to be potentially upgradeable to a fines product of 65% Fe.

While Mauve says the group has pressed the "pause" button to focus on its Cameroon licences, it is, however, running maintenance exploration there to firm up resource potential.

He says the company would certainly be open to expressions of interest for these assets, if a purchaser were to come along.

The pace of developments unfolding in the Cameroon-Congo iron belt in 2014 may be the catalyst that opens up West Africa to further global investment activity as steelmakers shift their reliance of iron ore and raw materials from the hands of the few.

West African Minerals is positioned to benefit significantly from the next wave of investment – in the near term with Binga's proximity to coastal infrastructure leading the way to early cash flow, while the upside from the large-scale eastern licences still untapped, present possibly decades of resource if not important discoveries along the way.

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Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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