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Overnight success:

Tietto's 10-year journey

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Tietto: A tale of rapid growth, disruption and infectious diseases

by Michael Washbourne



Acclaimed novelist Tom Clancy once quipped: “An overnight success is 10 years in the making.”

Tietto Minerals Ltd is testament to that statement.

It has been a little more than two years since the company listed on the ASX following a long-awaited IPO. Over that short period alone, Tietto’s list of achievements is as lengthy as it is impressive, headlined by the addition of 1.5 moz to a growing resource at its Abujar project in Cote d’Ivoire.

What is easily overlooked is the preceding eight years of blood, sweat and tears that Tietto founder and managing director Caigen Wang put in behind the scenes to prepare the company for life in the public arena and ensure its ongoing technical and financial success.

“I think we’ve been progressing very well [since the IPO], both from the financial side and particularly from the project growth side,” Wang tells **GMJ**.

“This project is shaping very nicely and as a company we are putting ourselves in a very healthy financial position to continue exploration and mining studies for the next 1.5 years.”

Last November, Tietto announced a 24% upgrade to the resource at Abujar which now stands at 45.5mt @ 1.5 g/t gold for 2.15 moz. This included a 40% uplift in the number of indicated ounces.

“This project is shaping very nicely and as a company we are putting ourselves in a very healthy financial position to continue exploration and mining studies for the next 1.5 years.”

A \$17 million placement quickly followed that announcement as Tietto entered the next phase of project development, including a further resource upgrade, a scoping study and PFS.

Tietto is planning to unveil that updated resource in Q3 2020, upon completion of its current 50,000m diamond drilling campaign.

“Our target is 3 moz and we’re very confident that we will deliver,” Wang says.

“The scoping study is well under way at the moment and the feasibility study will be coming out after the next resource update. That feasibility study should be based on the bigger resource base.”

The fact Wang can talk so confidently about Tietto’s impending milestones is testament to the years of meticulous planning which has gone into getting the company to this point.

Tietto’s origins date back to 2010 when Wang – a Chinese-Australian mining engineer – ventured to Liberia in search of iron ore projects. However, soon after arriving in the West African country, he had a change of heart and instead began investigating opportunities in the gold space.

Wang ran the ruler over multiple gold projects in Liberia, but never quite found what he wanted – something which would become a mine. So, with the domestic crisis in Cote

d’Ivoire drawing to a close in 2012, he decided to cross the border and try his luck there, knowing that some of the world’s best gold exploration assets were now up for grabs.

Cote d’Ivoire is home to 34% of the Birimian greenstone belt. During the domestic crisis, only two gold mines – Bonikro and Tongon – were developed. Given the initial success of both of those operations, Wang sensed there was a raft of undiscovered opportunities waiting to be found.

Early on in his journey, Wang met and teamed up with Fred Yao N’Kanza, an Ivorian economist also looking to tap into the country’s emerging resource sector.

“We were one of the early movers in the junior sector coming to the Ivory Coast,” Wang says. “At that time, most major companies there were packing up their office and trying to leave...but we were scouring everywhere.”

Using his in-country contacts, N’Kanza took charge of the search which culminated in March 2014 at the Abujar project, about 30km from Daloa, the third largest city in Cote d’Ivoire.

The call went out for Wang to visit the project and review its potential, in particular the large artisanal shaft and other historical workings. What followed next is a story that is fast becoming Tietto folklore.

“Caigen looked at the shaft, turned to me, grinned and said ‘this is a mine, let’s go build it’,” N’Kanza, now Tietto’s country manager, told **GMJ** during a site visit in early February.

For Wang, the abundance of artisanal mine workers around the project was also an important selling point.

“In terms of the artisanal workers, I could see some were digging steel-enforced concrete wells which were, at that time, probably 20-30m deep at the deepest part,” Wang says.

“As a mining engineer – I’m not a geologist – I thought gold must be there. That’s what attracted me to join the local partner to make the application for the exploratory licence.”

Tietto quickly applied for and was subsequently granted what is now the central tenement of the project, with the company later awarded additional licences to the north and south, to tie up a neat ground package of 1,114sq km.

To date, Tietto has explored just 15km of the 70km-long prospective trend which extends



Tietto managing director Caigen Wang (pictured left) during his first visit to the Abujar project in March 2014

“Most major companies there were packing up their office and trying to leave...but we were scouring everywhere.



The major artisanal shaft at the centre of the Abujar project, about 30km from Daloa



Tietto exploration manager Mathieu Ageneau (front right) explains the orebody to executive director Mark Strizek (front left) and Argonaut analyst Matthew Keane (front centre)

across the three licences. Most of the major exploration work to define these sections did not kick off until after the company listed in January 2018.

“Listing was always part of our strategic plan, but it was just too difficult to get it listed in the early stages when we only had the two projects in Liberia,” Wang says.

“When the Ebola crisis happened [in 2014] we didn’t have any chance of listing, so we waited. Fortunately we had this project in Ivory Coast and a 700,000oz resource which made us quite a favourable company for listing.”

Growing the Abujar resource to 2.15 moz tops the list of achievements for Tietto since debuting on the ASX post a \$6 million IPO. However, Wang is equally as proud of the company’s ability to establish its own drilling capacity as well as foster strong relationships with the local communities.

Tietto owns five diamond rigs – four are currently turning at Abujar, with the fifth on its way to Liberia at the time of print. The company has been reportedly undertaking its most recent drilling for just \$US35/m and achieving around 5,000m each month.

“Our diamond drilling is absolutely top of the class,” Wang says. “We are very low cost and it gives us extremely good flexibilities around the drilling wherever we like to look.”

Another achievement which has attracted few headlines is Wang’s ability to pull together an impressive board and

management team to guide Tietto towards its goal of becoming a gold producer.

Supporting Wang on that journey is chairman Francis Harper, who previously held the same position at West African Resources Ltd, and experienced geologists Mark Strizek and Paul Kitto, both of whom have been at the helm of junior explorers in the region.

Strizek, who was recently promoted to executive director, first met Wang at the annual Investing in Mining Indaba conference in Cape Town in 2017 when he was managing director of Burkina Faso-focused Vital Metals Ltd.

As far as Strizek is concerned, the calibre of the people Tietto has brought to the table is what he believes will underpin the company’s progression towards production.

“Being on the other side and seeing what Caigen has been able to achieve...I know how hard it is and he’s done an absolutely fantastic job. And, of course, he’s a great guy to work with,” Strizek tells **GMJ**.

“When I met him for the first time, I could see straight away he was actually on to something. A lot of us, especially as geologists, try very hard and we have some success, but you could see right from the start this was going to be a mine. And it’s not often we get a chance to be involved in that really early stage and being able to take it all the way through.

“Because he was there so early, made those great



One of the five diamond drill rigs owned by Tietto



A 50,000m diamond programme is under way ahead of the next resource upgrade, due in Q3 2020

relationships and had the foresight to know that it was going to be a mine, I've got no doubt Tietto, under Caigen's stewardship, can achieve something really special here."

Strizek will now often refer to Wang as "the disruptor" because of the positive impact his decision to purchase a company-owned drilling fleet is having on Tietto's balance sheet.

At this year's Mining Indaba conference, Tietto emerged victorious in the Investment Battlefield competition for the next wave of African-focused junior explorers. In announcing their decision, the panel of judges said the company had "a proven and simple" strategy for both discovery and development.

The win also attracted a letter of recognition from Australia's Minister for Defence, Senator Linda Reynolds.

"I think there's a few people out there kind of pinching themselves because they can't believe he [Wang] is not a geologist; he's a mining engineer who has done what very few geologists get to do; multi-million ounce deposits is some incredible thing to have on your CV," Strizek says.



The three tenements which make up Abujar cover 1,114sq km

"We'll continue to grow and deliver on our promises. Our record kind of speaks for itself and I think sooner or later the penny is going to drop. For those shareholders who came in early, they're going to be well rewarded."

“I think there's a few people out there kind of pinching themselves because they can't believe he is not a geologist; he's a mining engineer who has done what very few geologists get to do; multi-million ounce deposits is some incredible thing to have on your CV."

With a growing multi-million ounce resource at Tietto's disposal, the question for Wang, Strizek and company is just how big to make the project before officially moving into the development phase.

Wang has his eyes on a standard CIL operation at Abujar, not dissimilar to other gold mines in Cote d'Ivoire. Recent and ongoing metallurgical work has indicated the project will be amenable to this process and achieve high gold recoveries.

"It's a decision [on project size] to make at a certain point of time," Wang says. "In terms of the exploration upside, it's very, very huge and we would imagine that in 2-3 years' time we will deliver much more than the 3 moz. But when is the time to start looking at building the mine?"

"We think once the 3 moz resource is proved, it's time to do a feasibility study and look to build the mine. We can still continue to grow the resource after that."

A huge artisanal population is another feature of Abujar





Tietto recently refurbished its exploration camp at Abujar

One of the high-grade intercepts returned during last year's exploration programme



The more immediate question for Tietto – as is the case for the broader resources industry – is management of the coronavirus threat. At the time of print, there were 4 confirmed cases of the disease in Cote d'Ivoire, but Wang wants his company to be prepared for a wider outbreak.

Management of infectious diseases is something Wang already has experience with, given he was exploring in Liberia at the time of the Ebola outbreak in 2014.

"It's currently a very important issue that we have to manage very properly...we are in the same exposure as other juniors and majors operating in Africa," he says.

"We are taking a very proactive approach to make sure we are operating the Abujar project without any impact. We have already put very concrete actions in places. We have purchased over 1,000 masks for our Abidjan office and we have back-up tanks to give us running water through the wet season.

"We have plenty of stock for our drilling consumables and spare parts, so we will be able to drill with our full diamond rigs in Ivory Coast for the next 4-5 months. Without any additional supplies, we are able to drill from now until the end of September."


LINDA REYNOLDS CSC
SENATOR FOR WESTERN AUSTRALIA

Mr Mark Strizek
Executive Director
Tietto Minerals
Level 3, 88 William Street
PERTH WA 6000

Dear Mr Strizek

Congratulations on winning the Mining Indaba's 'Investment Battlefield'. This is well-deserved recognition of the strength of fundamentals of your project and the quality of the Tietto Minerals team in realising shareholder value.


In February 2017 I was honoured to be able to represent the Australian Government at Mining Indaba and even though I am from Western Australia it wasn't until that trip that I fully understood the true significance of the mining and economic ties that bind our two regions.

This year in September I was also privileged to deliver the key note address to the Africa Down Under Conference here in Perth. I have enclosed a copy of this address for your interest.

I am extremely proud of the contribution Australian companies are making to African economies, and communities, in positive and sustainable ways. It is important for us to strengthen these economic ties and to capture new opportunities for cooperation between our two regions.

Your project in Abujar, Cote D'Ivoire is an example of one of these exciting new opportunities and I wish you great success as you develop this significant goldmining resource. Once again, congratulations on your win.

Yours sincerely


LINDA REYNOLDS CSC
SENATOR FOR WESTERN AUSTRALIA
21 February 2020
Att:

Minister for Defence, Senator Linda Reynolds penned this letter to Tietto following the company's win in the Investment Battlefield at Mining Indaba

“We think once the 3 moz resource is proved, it's time to do a feasibility study and to look to build the mine. We can still continue to grow the resource after that.”

Barring any setbacks created by the coronavirus, Tietto appears well placed to continue its success in 2020, during which the finer details of its strategy will likely become clearer.

And while aspects of that strategy may have changed at different times over past decade, Wang insists the end game remains the same.

"From a board point of view, we still are working very hard to push the company from exploration towards mining and gold production," Wang says.

"I've always said the initial discovery was made by the artisanal miners. We just took over from them to find the resource and properly build the mine."

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