Interview with Mr. Javier Orduña, Exploration Manager $AAN Aton Resources

By Peter "@Newton" Bell, 10 August 2017

Did you know that one of the old mines on Aton Resources' Abu Marawat project appears to be a tungsten mine, rather than a gold one? I certainly didn't until I talked with Mr. Javier Orduña, Exploration Manager of Aton Resources (TSXV:AAN).

I still don't know much about the difference between a tungsten and gold mine, but I do understand the significance for Aton. Javier explained to me that this subtle detail provides evidence to suggest that certain deposits in the company's Abu Marawat Concession are located higher in the mineralized system than previously thought. Being higher up in the system is an important feature that these targets share with the Sukari mine, which is the Egyptian gold mine right now.

Lots more important information provided by Mr. Orduña in the update below, which was recorded August 8th 2017.

Peter Bell: Hello Javier, thank you for joining me.

Javier Orduña: Hi Peter, you're welcome. Good to be talking with you.

Peter Bell: It is early August and I can't imagine just how hot it must be at site in the desert.

Javier Orduña: It is hot. It's been up to about 50 degrees on-site the last week or so, which is borderline unbearable.

Peter Bell: Do you have to shut down?

Javier Orduña: We don't have to. This year, we shut down during Ramadan and have kept things fairly quiet at site during the summer. It's not ideal to be working in the desert in these sorts of conditions. We're working over a large area and some of the places we're working are a good 1.5-2 hour drive away from our camp. Fly-camping is not really an option in this weather.

Javier Orduña: We have maintained our regional exploration work over the summer and we will be increasing our activities on the ground soon. We've been able to make good progress on other things in the company since Ramadan.

Peter Bell: Interesting. I wonder what your field team in-country thinks of all this. I gather that you have maintained a good team there and I imagine they would appreciate a chance to get out of the field in the hottest time of year.

Javier Orduña: Yes, I do think they appreciate it as well. We are very pleased with the work they are doing. They're very professional and hardworking. They really put their backs into it and do what they can. Combined with the leadership of Rick Cavaney, our VP Exploration, we have been doing good geology.

Peter Bell: Good to hear, Javier. A geologist I respect said something about mineral exploration in areas with extreme seasonality that I want to tell you. He said, "the seasonality allows you to be a better scientist." I even saw mention of a 2-week field season in the far north recently. You have a much longer season than that and could probably work year-round, but I wonder about the value of down-time for you with Aton. Particularly since it is such a large area and there is a lot going on.

Javier Orduña: Yes, I think that is the way exploration goes in a perfect world. Work during the field season when conditions are amenable, and then think about things more when it's less amenable. To some degree, that is what we are doing at the moment in Aton.

Javier Orduña: We're using this downtime to do research and background work, which is something that we need to do at Abu Marawat. Now's the time to be doing it. We have one group in England researching

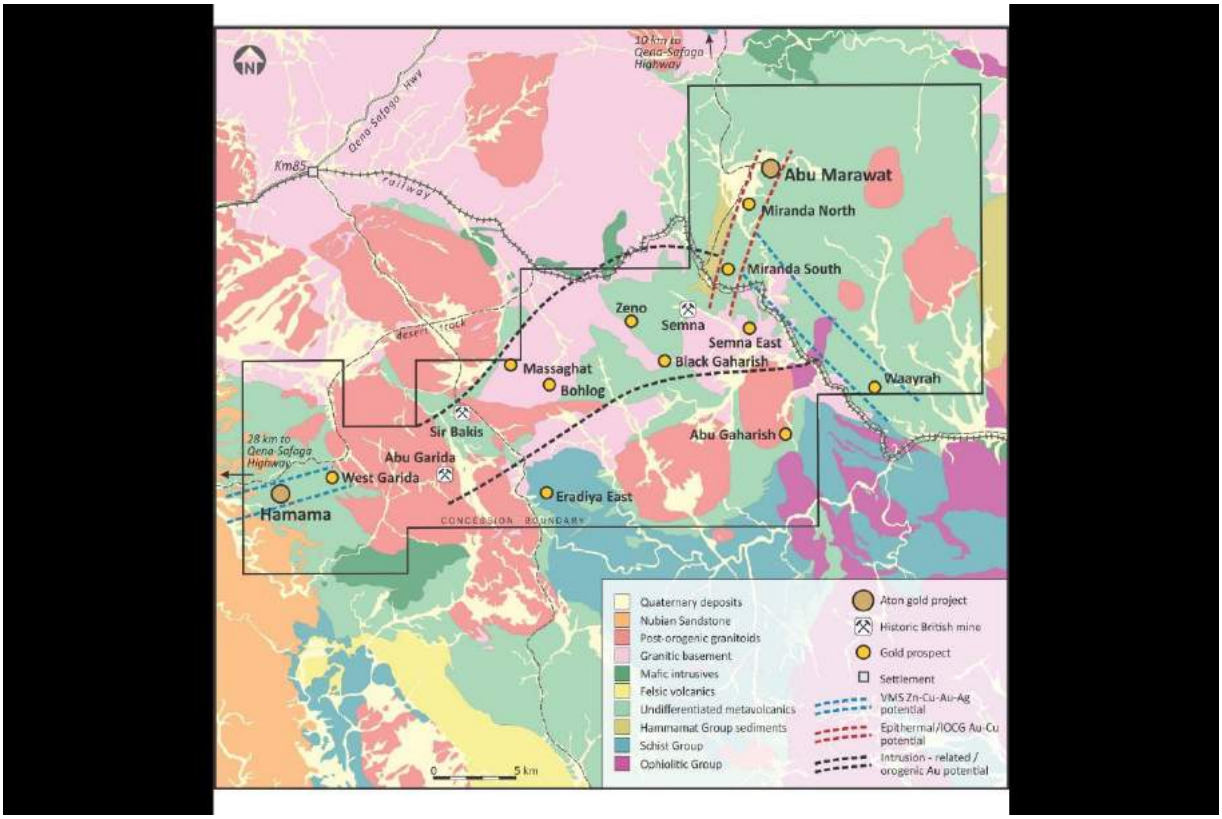
information on the old British-era mines, and another group in Cairo going through the historical data and records on the geology of the license and the old mines in our area.

Peter Bell: That area running up the middle of the Concession block seems to be just filled with old mines. It is an interesting area on its own, but it is even more important in relation to the fact that the whole Concession is almost 1,000 km² and this trend connects the two existing deposits!

Javier Orduña: That's right, Peter. I've been with Aton for just under one year, and there has been a lot of historical mining activity in this area, as you know. The work done by Aton focused first on the Abu Marawat deposit and then on Hamama. It is only really in the last six months that we've had the opportunities and resources to expand our exploration efforts, and we have now started looking at the license area as a whole.

As I say, the reality is that we haven't had time or the resources to look at these historical mines seriously. We've known that they were there, but haven't spent much time looking at them until recently. Even now, we are just getting started in understanding the old mines, and at the same time we are also working on the broader regional perspective at the Concession. We are starting to synthesize our understanding of the geology across the Concession while doing initial exploration at various targets and prospects. Each of these of bits of information is important to us on its own, but they are particularly useful to us all together. For that kind of interpretation, it is important to have time to analyze all the data. We're doing it now and we are very excited by the things we are finding.

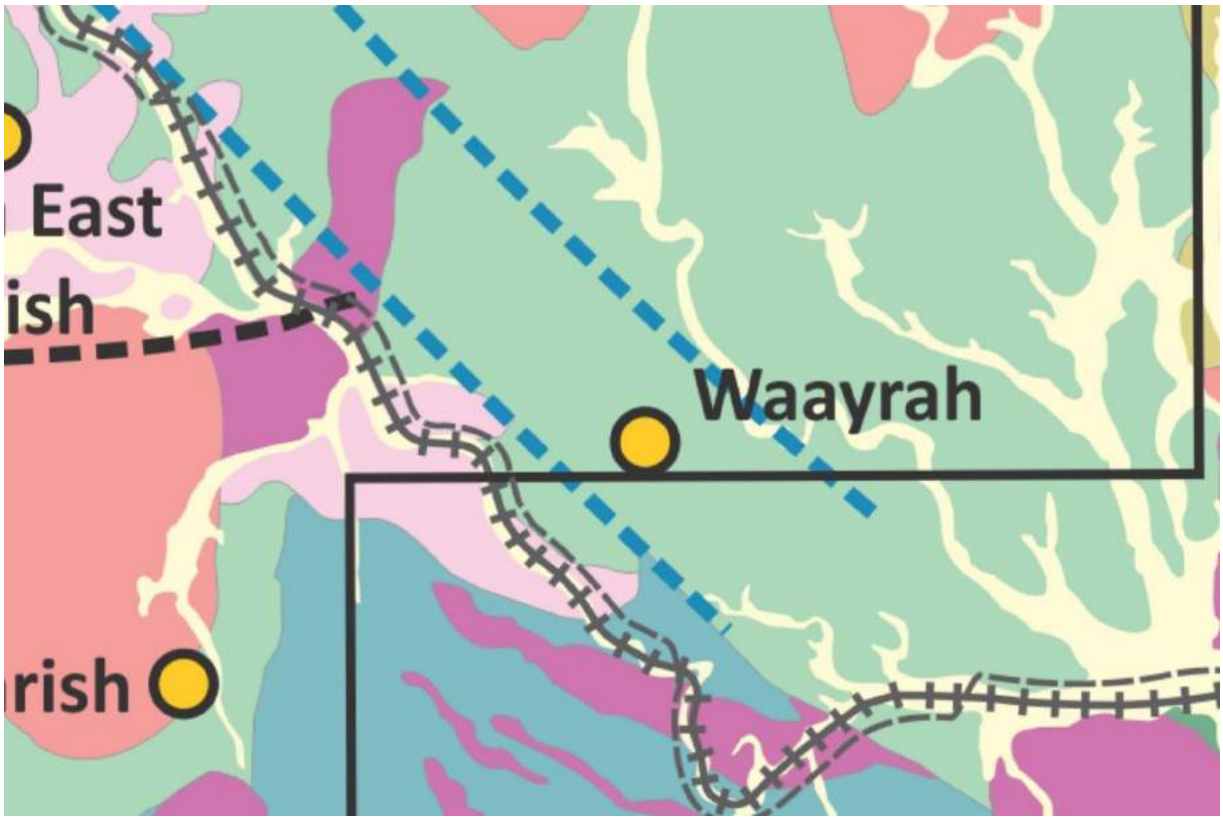
Peter Bell: And I've seen that in the news flow this year. Keep up the good work -- I can just imagine what more is coming. Did you have a personal favorite piece of news from the last six months?



Javier Orduña: Yes, there is more news to come. The Waayrah discovery is a new discovery. It is the first new discovery on the entire license area in a long time. It is located a long way away from Aton's previous areas of activity in the Concession, but was just waiting to be found, when we had the opportunities to actually get out and walk the ground.

Waayrah really changed our thinking about the character of the gossans as it is the first one that really resembles a true massive sulfide gossan, an oxidized VMS deposit. Based on assays from the samples that we have reported at Waayrah, we're confident that it's a new gossan on a massive sulfide deposit.

The gossan at Waayrah is developed on a steep hillside and is fairly heavily obscured by scree. It's hard to map and to actually see the full extent of it, but we believe it is the first time we have seen a true gossan developed on a massive sulphide deposit. As you know, we now believe that the Hamama deposit is a hybrid VMS-epithermal transitional deposit. It's pretty encouraging to finally find what we believe is likely to be a true massive sulphide deposit.



Despite the progress at Waayrah, we've only just started scratching around the surface. And we already have reason to believe that we're on to something significant there. We're also looking at a lot of the other prospects through the license area, which had previously been thought of as narrow quartz vein deposits. We're looking at them in a completely new light.

Peter Bell: Thank you, Javier. I always enjoy hearing about the reinterpretation of a geological model!

Javier Orduña: Keep in mind that there has been very little work here to date. It's as much an initial interpretation, rather than a case of reinterpretation! That is one of the beauties of exploring in Egypt: there has been so little work done over years, both on a national scale across the country and at a local scale at the Abu Marawat Concession.

As I say, a lot of these targets don't have much of a geological model. It was fairly basic work at Waayrah, a case of reviewing the remote sensing and the satellite imagery, identifying features and going out and walking the ground, but that can have a significant impact. We're making a chance for ourselves to go out and look at

some of these things, and then doing some critical thinking about what we're looking at. What we're seeing is pretty encouraging.

Peter Bell: I had the pleasure to talk with Mark Campbell, the CEO, last Friday. It was Friday morning my time and Friday evening his time. It reminded me of a call I had with Keith Barron on a Friday earlier this year -- by the time we finished the call, it was after 9PM for him in Switzerland. The dedication from the leadership there was very impressive. I picked up a lot of subtle details from Mark in our call. Lots to talk about there. But a question for you -- you mentioned that you've been with Aton for just under a year now. It's good that you're still with us, thank you.

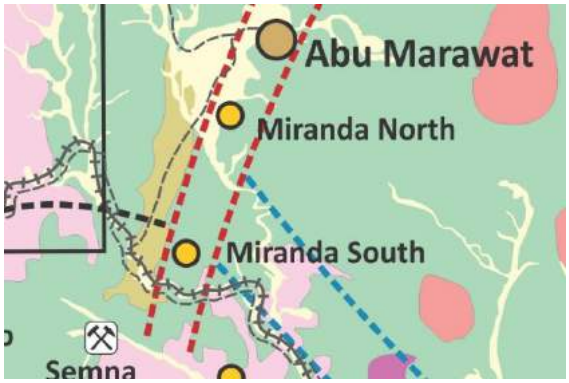
Javier Orduña: Yes, you're welcome Peter. When I originally joined the company, I was planning to do a one-month contract as a geologist. I work as a contract consultant, so I'm a gun for hire. I've worked on a lot of projects, but this one is special.

Peter Bell: Yes, as a gun for hire you can appreciate that there are some targets to shoot at in the Abu Marawat concession!

Javier Orduña: Yes. Lots of targets to shoot at. Hopefully, we'll get a few bullets to use!

Peter Bell: That's right.

Javier Orduña: It's pretty special to walk in to what is effectively untouched ground. It's very rare to find projects like this, where nobody has visited much of the ground for decades in recent history. This is one of the more well-trafficked parts of Egypt, in terms of exploration, but away from the main deposits at Hamama and Abu Marawat it's hardly been visited, if at all.



Peter Bell: Any projects that you worked on prior to Aton that we could discuss a bit?

Javier Orduña: Sure, I did some work on a gold project in Finland last year. I've done a few jobs in West Africa, as well. One of my favorite jobs over the last few years was Cuba. I spent six months working on a lead-zinc project there and it was great.

Peter Bell: Mining in Cuba?

Javier Orduña: Yes, it was with a British consultancy. It was a SEDEX type deposit, at the development phase of the lead-zinc mine. Of course, it was just five miles from the beach.

Peter Bell: Wow. I imagine that Cuba stands to benefit a lot from mine development, just like Egypt!

Javier Orduña: Yes, I hope so. Both are great places. Cuba was an interesting place to work, as you can probably imagine.

Peter Bell: To be honest, Javier, I can't even imagine what it would be like to work on a mining project in Cuba!

Javier Orduña: I've done a fair bit of work in the former Soviet Union in Central Asia, in Kazakhstan, Kyrgyzstan, and places like that. In some ways, Cuba was exactly as I expected. It was a Soviet Union by the sea in the Caribbean. Some of the bureaucracy was a nightmare, but it was a good place to work.

Peter Bell: And do you find yourself spending much time dealing with the bureaucracy in Egypt?

Javier Orduña: It is always there, but I don't personally have to deal with it, fortunately. We have specialist staff members who deal with it. Government regulation is always a concern with mineral exploration. Particularly in the developing world.

Peter Bell: Well, it is good to hear that your bright geological mind is not being wasted filling out government forms.

Javier Orduña: No, I don't fill out government forms. We have our national geologists who deal with the Mineral Resources Authority. We all have to go and get our travel visas updated from time to time. Something like that might require a day in a government office, but that is rare. Fortunately, I get to concentrate on the important stuff most of the time.

Peter Bell: And you mentioned a SEDEX deposit in Cuba. That type of deposit type would seem to make sense in that location.

Javier Orduña: Yes, indeed. Cuba is fascinating -- there are a great variety of deposits there, also lateritic nickel and gold for example. The SEDEX, in particular, basically developed on the foreland of the North American plate.

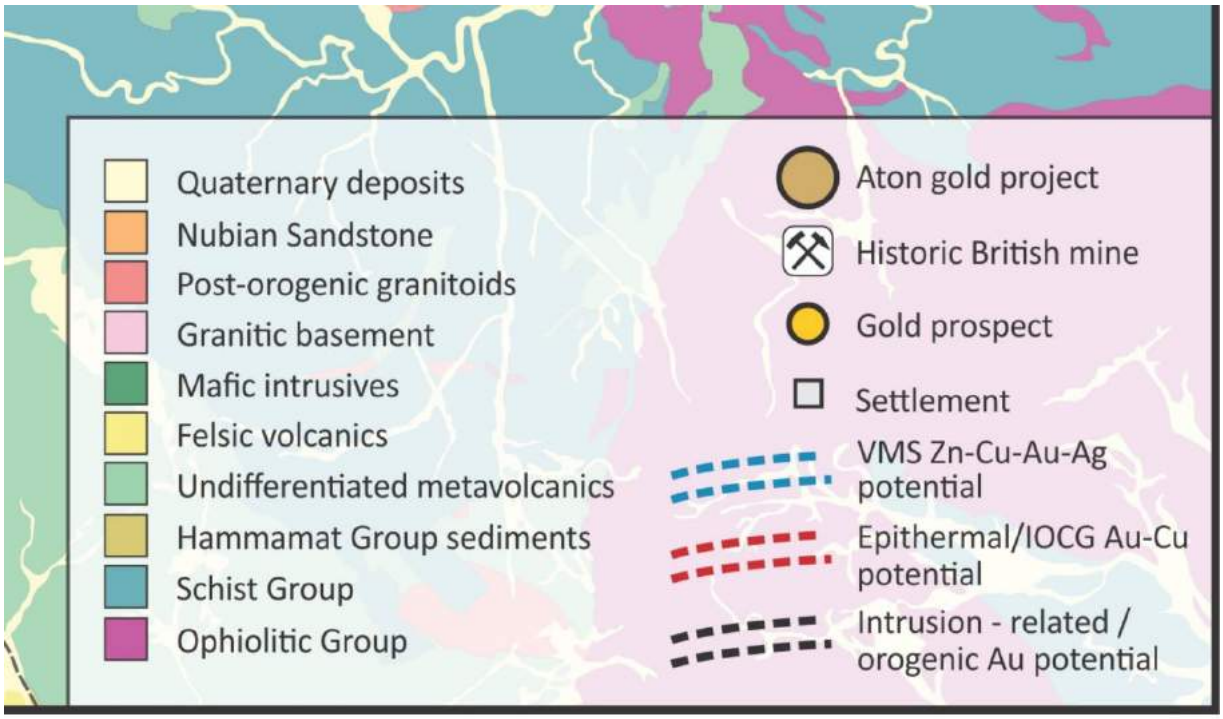
Javier Orduña: It's far more interesting, frankly, than I knew. I, like most people, didn't really know much about the geology of Cuba before I went and worked there. There's a lot of stuff there.

Peter Bell: Interesting. I know there is some great history to the broad geology of the Canadian Maritimes. And the eastern USA has a rich history of mining. I've never heard of mining in Cuba, though. Neat!

Javier Orduña: It's right at a plate boundary, so it is particularly interesting. As I say, the project I worked on recently was right on the foreland of the North American continent. The SEDEX was formed in a fairly shallow basin, located on the foreland margin of the plate. And then you're into the suture zone, of course, and the associated nickel laterite deposits.

Peter Bell: Wonderful. You mentioned a plate boundary and it made me think of Hamama. Is there a plate boundary there?

Javier Orduña: No, I wouldn't quite say that. We have faulting, but I wouldn't say there's a plate boundary. We believe that we're in an island arc environment, which is fairly typical through the Arabian-Nubian Shield. There are a series of island arcs that are favorable for the development of VMS, and certain types of gold mineralization. In fact, one of the problems we have with the Abu Marawat license is that we don't really have a good handle on the regional tectonic stratigraphy of the area.



Javier Orduña: It has not been well studied, in my opinion. I've spent some time working in Saudi Arabia and there is a difference between there and Egypt. In Saudi Arabia, you have had the USGS and the BRGM out of France studying the country for decades, but that hasn't been done in Egypt. The result is less mineral exploration has been done in Egypt and the geology of the country is relatively poorly understood in many ways.

Peter Bell: Amazing that a country with such an ancient history of mining would have such little modern exploration. It helps that we have some genetic models to understand the types of deposits you are seeing. Any sense of what is up with the intrusions related to those island arcs?

Javier Orduña: Some of them, at least, look like fairly evolved high-level granitoid intrusions. Keep in mind that there may be quite a few of these around our project areas. Just at Sir Bakis, which is one of our projects that we're particularly excited about, we've seen several of these.

There's an old British mine, which we thought was a gold mine but have since interpreted it not to be, and we now believe it was a

tungsten mine. There are also fluorite mines in the area, which all combine to suggest that you are higher up in a fairly evolved part of the intrusive system. These higher-level systems are different from the deeper ones, where you see more porphyry style mineralization.

Now, it may not sound like much but that is a big deal for us. For many reasons, but particularly because that establishes an important similarity to the Sukari deposit.

Peter Bell: Which is the one and only gold mine in Egypt producing hundreds of thousands of ounces of gold per year.

Javier Orduña: It is a big mine. And Rick Cavaney was intimately involved in the discovery of Sukari. He's always seen it as porphyry gold deposit, formed in a high-level granitoid with crackle breccias and sheeted vein systems. We prefer to refer to it as an intrusion-related gold deposit, but the name isn't the important bit. There are similarities between the Sukari deposit and some of the granitoid-hosted intrusive related mineralization we are seeing now at the Abu Marawat Concession.

There's a lot of mineralization in our license area associated with these things. I don't want to get too carried away making comparisons to Sukari, but there are broad similarities between the geology we're seeing on our license area and what you see at Sukari. And as you rightly point out, that is a world class mine.

Peter Bell: Right, I believe Sukari is on target to produce over 500,000 ounces this year.

Javier Orduña: Yes, that's right. Did you know that the resource there is now approximately 15 million ounces? We believe we have potential for similar styles of mineralization on our area. Previously we believed we were looking at fairly narrow mesothermal type quartz vein deposits rather than potential bulk intrusive-related gold deposits such as Sukari. There have been big changes for us at Abu Marawat recently.

Peter Bell: Good to hear! And the potential for multiple mineralizing events is something that always interested me. It's great to hear about how subsequent events could have changed Hamama from a VMS to a hybrid VMS-epithermal deposit.

Javier Orduña: Yes, that's right. We believe there are series of styles of mineralization and we are finding examples of them. Hamama has always been described as a VMS deposit, but we believe it's a transitional hybrid VMS-epithermal deposit rather than a classic VMS deposit. These things have been referred to by many different names in the literature.

Peter Bell: And you have some experience working on these hybrid VMS deposits in Saudi Arabia, right?

Javier Orduña: Yes, I have seen similar ones in Saudi Arabia. There's one that is particularly similar to Hamama called Shayban in Saudi Arabia. Both are rich in zinc, but are primarily gold-silver deposits.

Javier Orduña: I've also worked on similar deposits in the central VMS belt in Kazakhstan, as well. There are some deposits there that few people are familiar with, like Akbastau, Kosmurun, and Mizek. They are quite variable in terms of mineralization, but that helps to show the possible range of outcomes with transitional VMS deposits. For example, Kosmurun is a classic VMS with massive sulfide mineralization over 80 meters thick, whereas Mizek is basically a stringer gold deposit. Again, they're all transitional type VMS deposits.

Peter Bell: And how does the location of Hamama tie in to all of that? It is at the southern end of a trend that seems to run up to the Abu Marawat deposit. And there are many historical mine sites found along that trend. These new intrusive-related targets you referred to are located off that trend, I believe. Do you have a sense for how it all fits together?

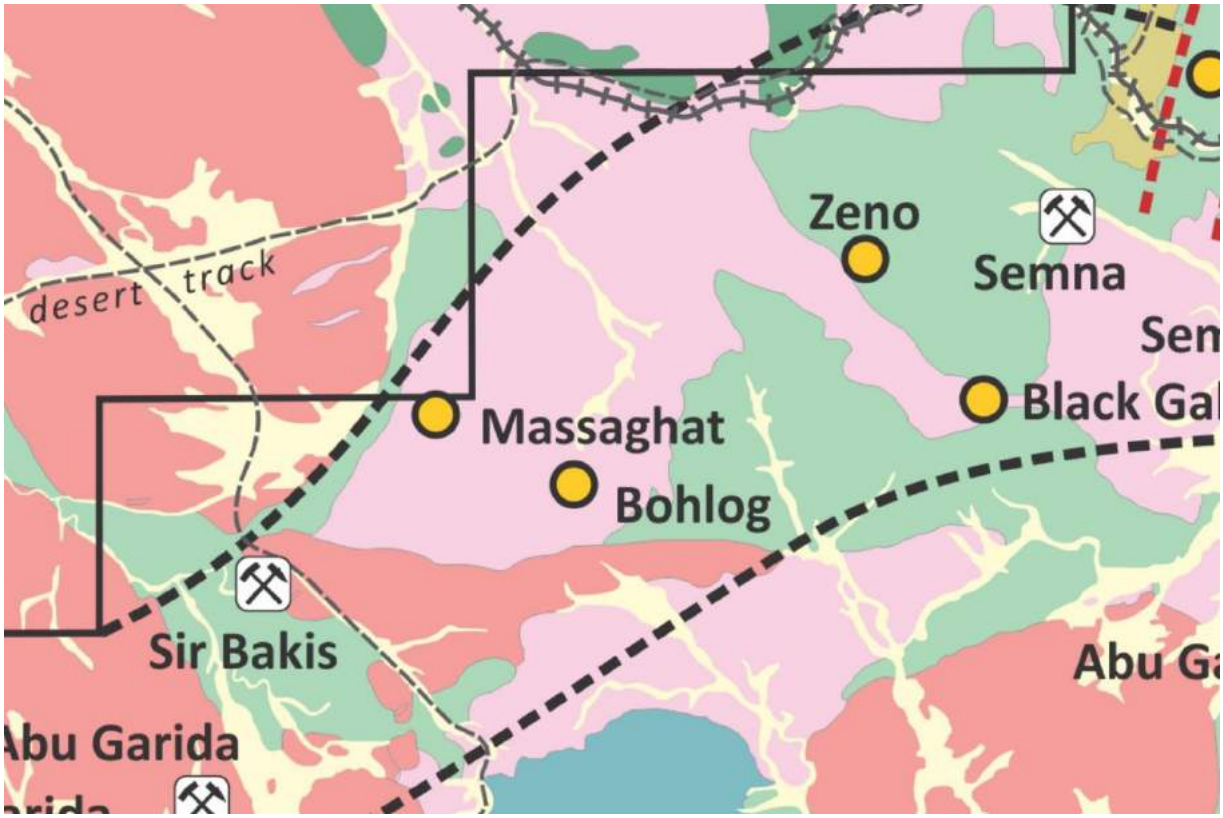
Javier Orduña: Well, you are describing some of the key aspects of the property. There are a whole variety of different styles of mineralization in our license area and we have some sense for how they fit together, but that is improving as we do more work out there. Just recall the tungsten mine that we thought was a gold mine I told you about earlier. The way we talk about the geology of the Concession continues to evolve as we actually get out and look at things on the ground.

We believe the Abu Marawat deposit is an epithermal precious and base metal deposit. We have the Miranda Belt, which is a stratigraphic strike continuation of Abu Marawat. Miranda shows

certain affinities to IOCG type deposits, which fits with the growing body of evidence to suggest that IOCG deposits transition into epithermal deposits, but basically form under conditions of greater salinity. We have established the presence of both primary iron sulfides and iron oxides forming together in the area, which is pretty unusual and leads us to this interpretation. We're looking at an IOCG-epithermal belt from Miranda up to Abu Marawat.

Peter Bell: That is just stunning, Javier. I've encountered this connection between epithermal and IOCG deposits before, and it is very exciting. I don't understand it hardly at all, but I have a sense of how important it could be. To have a whole belt on a single concession area is mind-boggling.

Javier Orduña: And we have all examples of all these different mineralization types. We believe Waayrah is a classic VMS target, as I mentioned. We have done some work at the south-eastern end of the Miranda belt, as well, and it looks like VMS mineralization. With VMS mineralization at Miranda, and at Waayrah, we may be able to establish a VMS belt over an extended distance, as well as the VMS hybrid mineralization at Hamama.



Then, you have the Semna-Sir Bakis belt, which has potential for intrusive-related mineralization. We have interesting results from other areas, too, like Abu Gaharish. I mentioned that our field teams continue to do regional field work and the guys have actually been out there in the last couple of days. You may recall that we announced first discovery of samples with high grades and visible gold at Abu Gaharish recently. Well, that looks like a classic orogenic or shear-hosted gold deposit. And that is yet another deposit type at Abu Marawat! There is a whole bunch of different styles of mineralization in our license area.

Peter Bell: Wow! Visible gold?

Javier Orduña: Yes, Abu Gaharish is another style of mineralization and we're getting encouraging results there so far. It's looking good.

Peter Bell: A random question for you here -- how much do you talk to people outside of the company?

Javier Orduña: Oh, a fair bit.

Peter Bell: Probably a good idea as a consulting geologist to keep your name out there.

Javier Orduña: Well, I am not working as a consultant at this point. I work for Aton and that's where my focus is. I'm not trying to do anything else. My focus is totally on Aton at the moment.

Peter Bell: OK. Good to hear, Javier. With the large size of the Abu Marawat Concession and the variety of geology, I am sure the company needs a committed geological team. You mentioned research projects in England and Egypt right now, but I wonder if you are looking to expand the team at this point?

Javier Orduña: We don't need to add a lot of people, but we may bring on someone who can help advance the metallurgical and processing side of things.

Peter Bell: Any comment on collaboration with people from the universities in Egypt?

Javier Orduña: Sure, we have already done some of that in the past. Right now, we need to concentrate on preparing to declare a commercial discovery.

A lot of these research projects are fairly pro forma and the work is not necessarily particularly beneficial to the company. If we can identify a project that is useful and necessary, and can organize a research project around that, then we would consider it.

Peter Bell: Believe it or not, that is what I did as a grad student -- finding businesses with neat ideas and helping get research funding to work on them.

Javier Orduña: It all comes down to a question of time, frankly.

Peter Bell: That's right -- we all have 24 hours in a day. I appreciate you taking the time for this interview, Javier. I think this will be the first time that many people ever hear from you.

Javier Orduña: Yes, it will undoubtedly be the first time for most people to hear from me. Most people are probably not particularly interested to hear from me, but I'm happy to give the interview. I want to let people know about we've got here in Aton.

Peter Bell: Six months from now -- any thought what the company may be working on?

Javier Orduña: Yes, I think we have a good sense of where we will be in six months based on the fact that our exploration license expires at the end of July, 2018. We have a very specific time frame that we're working within, with the goal of declaring a commercial discovery by the end of the license period.

The Abu Marawat exploration license was originally issued for a 10-year life, but there have been a couple of extensions. At the end of that license, we will seek to declare a commercial discovery to allow to us to move to an exploitation license. Everything we are doing now is to move towards that declaration of a commercial discovery. We believe that we already have the basis for a commercial discovery using our two 43-101 resource estimates at Abu Marawat and Hamama West.

We will look to expand those resources, but the more pressing issue right now is explore the rest of the license areas so that we can bring additional resources on board when we declare the commercial discovery. That is what things look like over the next 12 months, at least. It will be busy.

Peter Bell: It would seem to me that you could work on both the early-stage exploration and economic studies at the same time. I went to say grassroots, but there's not much grass out in the Egyptian desert. It's not a sand-roots discovery, maybe a "sandy bottom"? Anyway, I like to think that you have been able to manage the schedule well juggling the field work for exploration with the lab work for the economic assessment.

Javier Orduña: The strategy we have pursued over the last few months has been to divide our workload into three separate areas. We've got two existing resources at Abu Marawat and Hamama, and they require certain things doing as we move into the development phase. Our third work area is regional exploration. As I say, most of the license area has not yet been explored properly but we think that we can significantly advance a few select targets in a pretty short time frame.

So, we have the early-stage exploration targets on a regional perspective and, as you say, we have to move forwards the economic studies for Abu Marawat and Hamama at the same time. We're dividing our time and resources.

Peter Bell: I wonder if there is a case to be made for combining production at Abu Marawat and Hamama in some way, let alone the other regional targets around the property!

Javier Orduña: Well, it remains uncertain what will happen when our exploration license comes to an end because, as you know, there isn't any real precedent in Egypt for this. There is not a mining industry, *per se*, in the country. The only people who've done it before are Centamin at Sukari -- they are the only ones who've actually advanced an exploration project to a mine in the last 50 years or so. There's really no clear precedent about how it's done. As you'd imagine in a developing country, the legal framework is somewhat more opaque than it might be in North America or Australia.

It is not exactly clear what will happen when we come to the end of the exploration license, so we have to cover our bases. We have to appreciate what may happen and prepare accordingly. We're doing the work to justify the economics of our discoveries to EMRA, but we want to retain as much of our ground holding as possible.

Peter Bell: Good to hear that you are getting your ducks in a row. A very exciting time for the company.

Javier Orduña: I'm sure that we would have preferred to be doing this regional exploration five years ago, but the reality is that we've only really had an opportunity to start doing it this year. Now, it is actually coming out more exciting than what we were expecting even six months ago!

We don't have time to waste, we don't have time to lose. We need to go and look at these things. Already, they're coming back with some interesting stuff. As I say, we genuinely believe there is some really tidy potential out there.

Peter Bell: I always wonder how people who are not familiar with the story would even start to understand it. There are a few other mining companies that have been awarded concessions in Egypt this year, but you guys are on another level with all the years you have spent working in-country. The scale of what you've done already puts you in a very unique situation.

Javier Orduña: Certainly. You mentioned the EMRA bid rounds and that is a fairly long and convoluted story. Resolute Resources out of Australia is really the one to watch in the newest bid round, as they are a serious company.

We clearly believe the geological potential is there in Egypt. There would be a lot more mining companies coming into country if the regulatory situation was different.

Peter Bell: I was intrigued to see that one of the concession blocks from the recent auctions was over 800 km². Resolute must be very excited to lock up a land package like that.

Javier Orduña: They are enormous blocks of ground. However, you don't actually get much of a say in which land package you are awarded. For example, EMRA could offer a large block of 2,000 square kilometers and you are welcome to bid on the whole thing, or not, it’s up to you. We chose not to bid on anything in this last round because we don't believe the current situation encourages investment. It is great to receive such an enormous land packages, but it takes a lot of resources to explore something that large that has been unexplored over the last 50 years.

Peter Bell: Interesting. Thanks, Javier.

Peter Bell: I'll mention briefly that I saw Dave Garofalo, CEO of Goldcorp, give a speech at a conference in Vancouver recently. Great talk that perked the room up on the first day. He said a few things that really surprised me. For one, I believe he said that it's time for majors to work with each other and juniors on project development. I've only encountered one case where Goldcorp has actually done that: it is a strategic partnership on a land package in Northern Quebec that is around 3,000 square kilometers! Even bigger than the oil blocks we have in Egypt. Regardless, I will be watching for talk around strategic partnerships with Aton down the line.

Javier Orduña: Well, I'm only a humble geologist. My job is to go out and do the stuff in the field, but I've been around the industry enough to have seen what you're talking about first hand. The two groups can really stand to offer each other something. The majors can provide the backing that is so critical to a junior, but the junior can often operate in difficult places more easily than the major. The juniors can be more nimble in difficult jurisdictions. I have worked in several places like this around the world.

It is often the juniors who go in and do initial groundwork, then the majors come in once the juniors find something of interest. It's a pretty common story.

Peter Bell: And another random question -- have you found any gem stones yet in the area around Abu Marawat?

Javier Orduña: No, we haven't. There are not really any identified pegmatitic units, which may be associated with gemstones, but we haven't really looked for them either. We have enough on our plates.

I actually did some work at Somaliland, in northern Somalia, that was pretty interesting in that regard. There was a lot of gemstone mining there. The rock types were not particularly different from what we have at Abu Marawat, but they were older and of a higher metamorphic grade, but had a lot of gemstones. Interesting stuff, but it's not our focus at Abu Marawat.

Peter Bell: Does that come back to the deposits at Abu Marawat being higher up in the system?

Javier Orduña: Yes, that's right. We are in an area of lower-grade metamorphic conditions, which is not conducive to the development of gemstones such as rubies, emeralds, or such like.

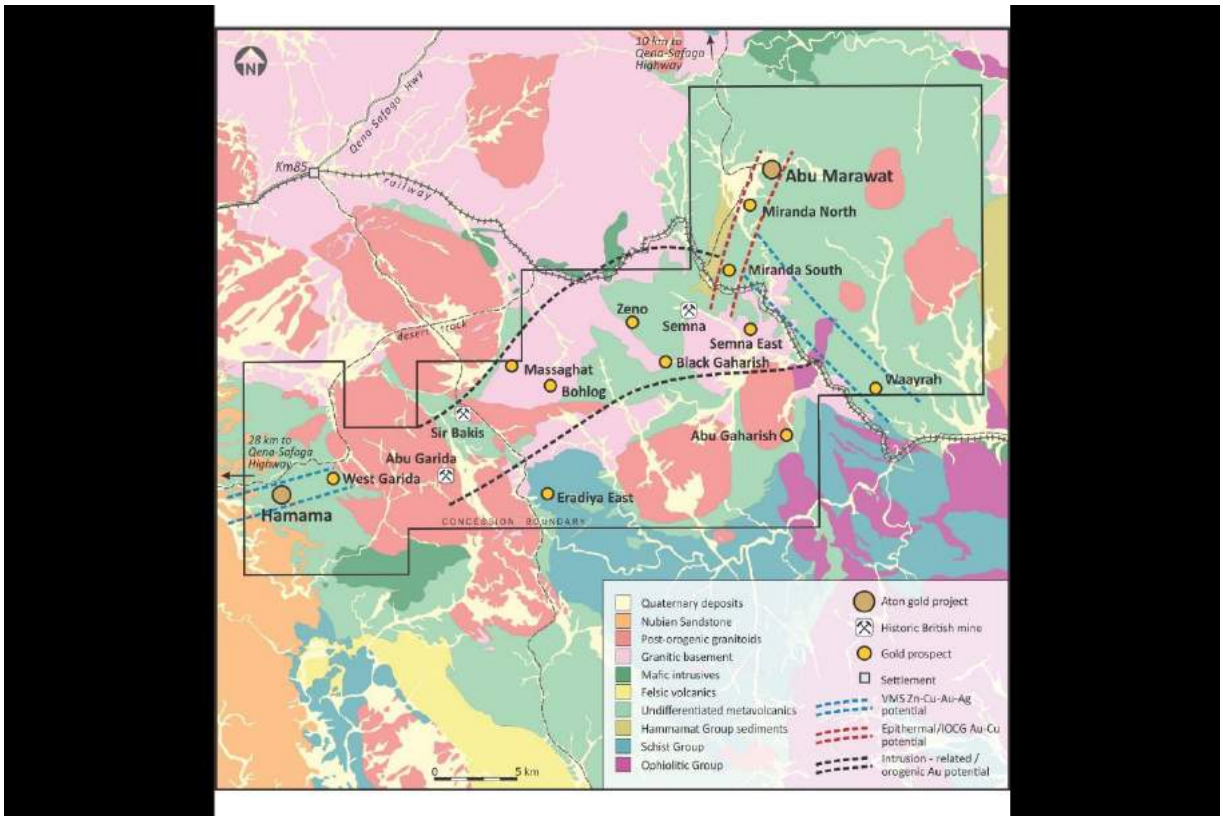
Peter Bell: And any other exotic minerals that you may seeing out there at Abu Marawat?

Javier Orduña: Again, it is not something that we've really considered. There are a few molybdenum occurrences marked on the old geological maps. I suspect they trace back to when the Russians were exploring here in the 1970s -- they were excellent at finding isolated mineral occurrences.

Most of what we've seen so far has been a relatively straightforward volcano-sedimentary package. There is tungsten, as we discussed earlier. Between the precious metals and the base metals, we have quite a lot to work on. With the timeline to declare a commercial discovery, we will be staying focused.

Peter Bell: I hear a lot about the work program leading up to the declaration of a commercial discovery, but I wonder about the work program on the other side of that event. I imagine you have a fairly broad range of options for development pathways at that time.

Javier Orduña: And those are some of the things we're working on now, Peter. The possible development plans for the Abu Marawat and Hamama West deposits will take shape as we go. The regional exploration targets offer a bit of a wildcard for all of that. Sir Bakis and Semna, which are old British mines, are looking particularly interesting as two of our regional targets.



We've been doing surface sampling and trenching programs over the last few months at these regional targets and our intent is to use that to establish drilling targets. We will certainly drill test some of these new projects. And we plan to start drilling some of thm as soon as the Autumn this year! That would be a big step for some of these regional targets.

Peter Bell: And can I ask about the geophysics on the area you've done on the area?

Javier Orduña: Yes, we did geophysics at Hamama. Crone Geophysics from Toronto came out and did a full surface and downhole EM program over the entire six kilometers of the potential strike length at Hamama. We're still waiting on the final report on that, so I don't want to talk about it too much at this point.

When Alexander Nubia first acquired the exploration license at Abu Marawat, we did some IP and mag work in 2008. We have that data and are synthesizing it with the EM data from the new survey. We expect to have the final report by the end of August and we will see what comes out of that.

Peter Bell: Much anticipated! I always wonder about the potential to use geophysics to help understand what may be hiding out there across the concession area. Good to hear that the EM program focused on the Hamama deposit. What else can you tell me about Hamama?

Javier Orduña: We don't consider it to be a classic VMS deposit that would have been a mound of massive sulfides on the seafloor - we haven't seen any massive sulfides there yet. We have a 13 million tonne resource and there is no development of massive sulfides within that.

Javier Orduña: The Hamama West deposit runs for approximately 700 meters of strike length along the prospective horizon of interest. There is a clear target horizon of interest that localizes mineralization because it is still a VMS type deposit, on a broad scale.

Peter Bell: OK, thanks. You have a sense for which geophysical techniques may work the best. And I recall that there was an oxidized section at Hamama West -- was it 50 or 100 meters deep?

Javier Orduña: No, it's not that deep. Hamama West has been drilled down to maximum depths of about 200 meters and it is oxidized to approximately 40 meters depth. Of that 13 million tons, 2.5 million tonnes is oxide mineralization. This is referred to as a gold-oxide cap and is seen elsewhere in the Arabian-Nubian Shield. Below this oxidized portion of the deposit, you find the sulfide mineralization down as far as has been drilled to this point. It certainly hasn't been drilled out at depth, and it's also largely open along strike. That's just at Hamama West - there has been very little drilling done along the rest of the strike at Hamama Central and Hamama East.

We have a single fence of holes at Hamama Central, which has four holes that have all hit good gold-zinc mineralization. You're looking at 6-10% zinc, which carries over about 10 meters. Plus, there is about a gram of gold. There are also some holes at Hamama East, but they are even more widely spaced. MINEX did some very shallow drilling there back in the late 1980s, which all intersected mineralization. That is why we wanted to do the geophysics across Hamama -- to tighten up the interpretation and actually provide us with drilling targets out there.

Peter Bell: Great. I look forward to the met test work coming back, as well. I expect that is lab scale work, but I will just mention that it would be

neat to see you guys do some bulk sampling! That seems to be an important

Javier Orduña: Yes, we have sent our preliminary metallurgical samples from Hamama to ALS Kamloops for mineralogical and cyanidation leach testing, and expect the results soon. We will then look towards moving to the next phase of bulk sample testwork for both Hamama West and Abu Marawat. It is our primary goal to reach commerciality by next year. We are working on economic studies for both Hamama West and Abu Marawat. The metallurgical work so far was only designed to be initial work, largely to determine the mineralogy of the deposits, but the metallurgy will certainly be a very important factor in the economic studies.

Peter Bell: And I know that Blaine Monaghan, who joined the company last year after you, recently left. I imagine it will be a challenge to lose him, but I'm sure you have it well in hand.

Javier Orduña: Yes, Blaine and myself had been working together on most of the releases over this last year. I'm disappointed that he's departed, but I wish him good luck. It just means there's more for me to do!

Peter Bell: Again, I appreciate you taking so much time here today to talk with me.

Javier Orduña: No worries, Peter. It's an absolute pleasure.

Please note that I have been compensated by the company to prepare and distribute this material. This interview has been approved for release by the company.

Originally published at: https://ceo.ca/@Newton/interview-with-mr-javier-ordua-exploration-manager-aan-aton-resources