Birimian Limited (ASX: BGS; Birimian and the Company) is pleased to announce that the Company has received its first Net Smelter Royalty (NSR) payment of US$280,428 (A$377,122) from Société des Mines de Morila SA (Morila) for gold produced at the N’tiola Area of Interest (N’tiola) during the June Quarter 2018. Randgold Resources plc (Randgold), operator of the Morila Joint Venture, announced in its June Quarter 2018 Activities Report that mining at N’tiola commenced in May 2018, following approval by the Government of Mali of all required processes for the inclusion into Morila’s mining permit of the N’tiola and Viper Areas of Interest previously surrendered (BGS, 25 May 2018). Randgold reported that a total of 161,000t of ore was treated from pit material mined at N’tiola during the Quarter, at a grade of 1.52g/t. Morila’s total gold production for the Quarter, predominantly comprising retreatment of tailings material as well as processing of ore mined at N’tiola, was 17,856 oz.

Pursuant to the option agreements between Morila, Birimian and Birimian’s wholly-owned subsidiary, Birimian Gold Mali SARL (BGM), Morila will pay BGM a sliding scale NSR of 4% when the gold price is $1,200/oz or higher and 3% when the gold price is $1,100/oz to $1,199/oz. Randgold reported that Morila sold 15,777 oz during the June Quarter, with an average price of US$1,281/oz and Morila’s cash cost was US$1,109/oz. Randgold stated that N’tiola and Viper satellite deposits were scheduled for mining until early 2019 and closure of the Morila mine was planned for 2020. Birimian retains all NSR revenue for N’tiola. When Morila mines Viper, Société Hanne General Trading SARL will be entitled to payment by BGM equating to a 1% NSR in respect of Viper (BGS, 25 May 2018).

CEO Comment

Birimian’s Executive Director and Chief Executive Officer, Mr Greg Walker, said receipt of the royalty payment from Morila was a significant step in realising value from the Company’s gold assets. “Birimian will receive regular quarterly payments from Morila during mining at N’tiola and Viper, which Randgold has said is expected to continue over the next 6-9 months,” he said.

Greg Walker
Executive Director and Chief Executive Officer
Birimian Limited
Telephone: 08 6382 2226
E-mail: gwalker@birimian.com

1 Randgold Resources Q2 2018 Report, 09 August 2018.