

# AMBRIAN

**Cluff Gold** (AIM:CLF)

**Mkt Cap:** £81.0m

**Price:** 97p

**BUY**

## **Operational Update - First gold pour at Angovia**

**Cluff Gold** has announced that the first gold pour from the Angovia (90%) heap-leach operation in the Ivory Coast took place on 14 March. This was on schedule and production will now ramp up as the leaching process progresses, with a target 40,000oz pa.

The Kalsaka (78%) heap-leach project in Burkina Faso is close behind, scheduled to have its first gold pour in 2Q08 with a target gold production of 60,000oz and significant potential to increase this rate.

The forecast total cost to commission the two mines is under US\$35m with no debt or hedging.

Cluff announced on 27 February a conditional agreement to buy the 40% balance it did not own in the Baomahun project in Sierra Leone; pre-feasibility drilling is underway, with promising results to date. This is a +1Moz resource with a probable +150,000oz output target.

### **Comment**

This is confirmation of a series of good reports from Cluff, which has completed the transformation from developer to miner. The share price has drifted back from a sharp rise to 110p, but the company should have attributable production of around 85,000ozpa in 2H08, with the 'company maker' project Baomahun still ahead.

Newsflow should include a resource upgrade for Baomahun given the drill results announced to date. There should be a broadening of interest from the proposed 2H08 TSX listing. We maintain our **BUY** recommendation.

- *Julian Emery*

**Recommendation - Buy**

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