

LEVON RESOURCES LTD

A PROJECT IN ITS PRIME



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*Ron Tremblay, president and chief executive officer,
discusses the progress of the Cordero Project in Mexico
and the exciting future ahead for this high value asset*

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Drill rig working on the Cordero Project

Although gold and silver mining in Mexico predates the conquest of the Spanish, it was the arrival of Hernando Cortez in 1521 that sparked the lucrative exploitation of these precious metals. Today Mexico remains one of the world's largest producers of these minerals and is recognised as a major destination for companies targeting exploration opportunities.

With the goal of becoming a mid-tier exploration company with economic mineral resources, Levon Resources can today be found drilling at the Cordero Project. A 20,000 hectare porphyry belt in north-central Mexico, 100 percent owned by the company, Cordero offers the potential for multiple, bulk tonnage open pit deposits.

“Having identified the project in January 2009,” explains Ron Tremblay, president and chief executive officer, “we quickly recognised the potential value of the property and set about cutting a deal to spend \$1.25 million over four years in order to gain a 51 percent holding.” While a part of this deal meant a \$250,000 first year commitment, Levon Resources would in fact spend the full \$1.25 million in the

first 12 months, before swiftly buying out its partners in an all-share transaction for the remaining 49 percent.

In the time since, the company has advanced the project by leaps and bounds, taking it from nothing to approximately 450 million ounces of silver, 1.2 million ounces of gold, eight billion pounds of zinc and close to 4.5 billion pounds of lead, and counting. “What we have right now,”

Tremblay continues, “is a property with a net present value of somewhere in the region of \$8 billion.”

The preliminary economic assessment carried out by the company was at \$25 silver, whereas today it is trading at over \$35 and probably on its way to \$50. “With a published figure of 450 million ounces of silver,” Tremblay highlights, “it means

that for every dollar that the price of silver raises, we are looking at a net present value increase of \$450 million. At this rate, every time the price of silver increases it is adding a tremendous amount of value to the project.”

At present the company finds itself in the middle of advanced metallurgy and, with \$54 million in the bank, in a very healthy

“WHAT WE HAVE RIGHT NOW IS A PROPERTY WITH A NET PRESENT VALUE OF SOMEWHERE IN THE REGION OF \$8 BILLION”



Cordero core shack



The Cordero project geological team

position. “With the market being relatively weak at present,” Tremblay says, “a number of attractive opportunities are continuing to fall onto Levon Resources’ plate.” As the company grows it is continuing to negotiate several other projects that it feels can become world-class opportunities that will add tremendous net present value.

Making such a major, world-class discovery, as Levon Resources has in Cordero, naturally places a company in the spotlight and consequently draws the attention of the major players within the

**450
MILLION**

Published ounces
of silver

mining sector. In a sign that other parties recognise what it has in Cordero, Levon Resources has already signed confidentiality agreements and standstill agreements with nine major mining companies.

Meanwhile, the company is looking at the possibility of bringing cash flow into the company through other potential assets that would be relatively easy to operate. As a part of this strategy it has been steadily bringing more operational expertise into the fold. Carlos H. Fernandez Mazzi, for example, has recently been brought into



Moving the large water drilling rig onto the property

“WE CONTINUE TO MOVE FORWARD, ADVANCING THE METALLURGY TO PRE-FEASIBILITY AND EXPLORING OTHER AREAS OF THE PROPERTY”

the company as its director of project development. One of the men responsible for the building of the San Cristobal silver mine in Bolivia, Mazzi helped oversee the massive infrastructure programme that was required to bring that particular project into production.

In applying for an updated permit to advance the project further, the company was required to have an environmental assessment of the property carried out. The subsequent review, which took several weeks, came back with no issues recorded whatsoever. “Vic Chevillion, Levon

Resources VP of exploration, possesses nearly 40 years of experience of working for major mining organisations,” Tremblay enthuses, “and as such, he endeavours to run the project in exactly the same way that any one of these major players would. We are a very particular company and with Cordero we run a very clean, neat project, while constantly striving to be responsible neighbours and partners of the environment and the surrounding community.”

Despite the incredible strides the company has made with the Cordero Project in less than four years, the underlying message running throughout Levon Resources is that

it needs to walk before it can run. “While the company has brought together a team that is more than capable of operating a major mining project,” Tremblay says, “our goal initially is not to become the operator of a large mine. On the contrary, we feel that a major mining company would be better positioned to operate a large, world-class project like Cordero.”

When it comes to the immediate future, the company continues to de-risk the property and add value to make it all the more desirable for a major player in the sector to potentially come in and take it out. “This is not something we plan to

\$8 BILLION

Net present asset value

sit around and wait to happen mind you,” Tremblay says. “We continue to move forward, advancing the metallurgy to pre-feasibility and exploring other areas of the property.”

Away from Cordero, Levon Resources is actively seeking other opportunities to add value to the business, specifically targeting potential projects where it can invest several million dollars in order to create a huge return value. Naturally, this is easier said than done, but the level of experience and vast number of contacts the company’s management team have built up over the years has allowed it to pinpoint such opportunities.

“In Cordero, we have spent \$25 million to date and have built up an \$8 billion net present asset as a result,” Tremblay concludes. “This achievement alone shows that we are in a very good place and now is the time to take advantage of this and leverage our cash position into massive net present value assets that will ultimately be realised by our shareholders.” **BE**

For more information about Levon Resources Ltd visit: www.levon.com



Drillers preparing to remove a core sample at Cordero



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