

Pursuing the battery metals manganese and cobalt Giyani style

In the battery industry, the use of high quality flake manganese has certainly seen a steady demand for manganese, with an accompanying price rally in recent years that makes me bullish about its future. And this is the space where junior miner Giyani Gold Corp. (TSXV: WDG) (“Giyani”) is currently playing. The company is busy with the acquisition of resources in Southern Africa, home to some of the world’s best manganese resources and they are buying at a time when manganese prices are extremely low.

“When people are fearful be greedy” says the greatest investor of our time, and this certainly describes the manganese market at present. From this perspective, we believe Giyani is getting into the market at the right time and their choosing to concentrate on high purity specialty grades is absolutely the right strategy and a testament to managements’ experience.

When one considers investment into a junior company, management experience is paramount and investors should ask whether the company’s CEO has previously managed to deliver returns to shareholders. To this end, CEO Duane Parnham has spent his career developing and funding resource companies, bringing us Forsys Metals, Canoe Mining Ventures and Angus Mining Namibia to name a few.

I am personally watching this company with a keen eye. It changed its course from gold to the battery metals manganese and cobalt, identifying this niche as a good future for the company. It has in the process earmarked two previously producing mines in Zambia, and is acquiring a property in Botswana that also has historical manganese production under

application.

Giyani is hopeful that its acquisition in Botswana could become the world's next most significant manganese discovery. The Botswana license sits in the Kanye Basin within the famous Transvaal Supergroup, which extends north from the Griqualand West basin in South Africa. The Griqualand basin is host to several large manganese mines including the Kalahari Manganese Field, located west of Hotazel in the Northern Cape. The firm also has other battery metals exploration acquisitions in the pipeline and once it beds down manganese, it intends to focus on cobalt outside of the DRC.

I like the fact that Giyani keeps its operating and capital expenses on the low side, while at the same time having an acquisitive strategy to expand its product portfolio, specifically specialising in manganese and cobalt. This gives shareholders the promise of a relatively diversified company that remains nimble in character, allowing it to easily manoeuvre to utilise opportunities where they crop up.

There is potential for near term production at its Botswana acquisition, with historical manganese production under application, and easy transport links to South African export hubs makes this project potentially easy to mobilize. So, the promise here is possible near term production, which could only increase the value of the company.

It hasn't been a walk in the park for junior miners the past few years. The global downturn in commodities made it extremely trying for juniors to raise capital to finance exploration activities. Giyani has weathered that storm, cutting overheads in 2016 and pursuing the focus of battery metals manganese and cobalt to keep the company afloat in a challenging environment, making it a resilient lean company with potential.