

## **Application of the Prospect Generator Business Model in Turkey: A Case History of Eurasian Minerals from 2003 to 2016**

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Eurasian Minerals has been applying the “prospect generator” business model in Turkey since 2003. This talk reviews Eurasian’s experience in exploring in Turkey, with an emphasis on the commercial and technical strategies that led to value creation, while contrasting exploration successes with approaches that proved less beneficial. From 2003 through 2008, Eurasian acquired and/or evaluated more than 100 individual exploration licenses and explored for a variety of deposit types, with a focus on copper and gold mineralization. From that original group of licenses, Eurasian has retained an interest in or continues to operate seven projects.

Greenfield discoveries of gold resources were made at the Akarca low-sulfidation epithermal and Sisorta high-sulfidation epithermal projects, and new Pb-Zn-Ag resources have been defined at Balya-Hastanetepe in the vicinity of historic mining areas. The Balya-Hastanetepe project entered production on a limited basis in 2015, with production scheduled to increase in the coming years. Akarca and Sisorta are continuing to advance as well.

Via the prospect generator model, over \$30M US was spent by partners on various projects in which Eurasian retained an interest. Income streams derived from its various royalties, JV and sale agreements provided operational capital to fund additional exploration. This commercial strategy allowed Eurasian to weather two significant market downturns while building substantial intrinsic value in its exploration portfolio and sustainably maintaining its operations in Turkey.

Of course, not all exploration projects are successful. Successful application of the prospect generator model requires functional partnerships and available partners to help advance projects. In some cases, a lack of available partners in Turkey hindered the advancement and discovery process (e.g., the Kurucaoluk/Karadere project). In other cases, partners have not been able to deliver results as expected.

However, early-stage exploration is an inherently risky business, both commercially and technically. Eurasian’s approach in Turkey balanced those risks by developing a portfolio of assets that were advanced in partnerships with other companies. This approach leveraged the long-term upside potential in a large number of mineral projects and provided sustainability during challenging market conditions. At least three discoveries were made during this process, and several other projects continue to advance toward the discovery stage.