

# Original-Research: Desert Gold Ventures Inc. (von GBC AG): Buy

08:01 Uhr | [DGAP](#)Classification of GBC AG to [Desert Gold Ventures Inc.](#)

Company Name:	Desert Gold Ventures Inc.
ISIN:	CA25039N4084
Reason for the research:	Research Comment
Recommendation:	Buy
Target price:	0.93 CAD
Target price on sight of:	31.12.2026
Last rating change:	
Analyst:	Matthias Greiffenberger, Cosmin Filker

## Desert Gold Advances from Development Plan to Execution Phase at Barani East

The Barani gravity-plant update materially strengthens the investment case by showing tangible progress toward first gold at Barani East. Desert Gold has moved beyond planning and mobilization into active enabling works, with approximately 52,000 square meters cleared across the process plant, workshop and stockpile areas. Survey control has been established, initial foundation excavation has started, and supporting infrastructure such as fencing, access control and ancillary steel preparation is advancing.

The processing-plant update is especially encouraging. Technical acceptance of the 200 tpd gravity plant, six-month spare-parts inventory and 650 kVA generator was completed in China between March 25 and April 3, 2026. Desert Gold representatives and independent engineers confirmed that the equipment met contractual specifications and approved it for shipment. Six containers carrying the plant and generator were shipped from Shekou and Qingdao as of April 26, with delivery to Dakar expected by mid-June, site delivery anticipated by late June, and commissioning targeted for mid-July 2026. In simple terms, the most important equipment is no longer theoretical or merely ordered; it has been inspected, accepted and shipped.

The revised timing is slightly later than the earlier mid-June go-live assumption, but the update remains positive because execution visibility has improved. A modest logistics-related delay is far less concerning than uncertainty around whether the plant exists, whether it meets specifications, or whether it can be shipped. The company has now given a clearer sequence: equipment arrival at Dakar, delivery to site, installation and commissioning.

Water development is another important derisking item. The company completed a geophysical targeting program across 15 survey lines, identified 13 priority borehole targets, and has started drilling the first borehole, with favorable hydrogeological conditions interpreted between 60 and 90 meters depth. Water is critical because even a small processing plant needs reliable supply to operate consistently. If water availability is insufficient, throughput can be restricted, recoveries can suffer, and operating downtime can increase. The progress is therefore meaningful, although sustainable flow rates and water quality still need to be confirmed before this risk can be considered largely resolved.

The gravity-plant update also supports the valuation logic behind Barani East. The previous development case assigned significant value to the staged gravity-plant concept because it offers a relatively low-capex route to first production and potential internal cash generation. For a junior company, this is important: internally generated cash flow can reduce reliance on repeated equity financings, which are often dilutive to existing shareholders. If Barani East commissions successfully and ramps up as planned, Desert Gold could

move into a stronger position where it can fund more of its exploration and development pipeline from operating cash flow rather than from the market.

The 4,250 m Phase 1 RC drill program adds a useful second layer to the story, but it is more of a medium-term upside driver. The program targets Koussili, Gourbassi West North, Mogoyafara South, Barani Gap and Kolon-Soa, with the goal of expanding known mineralization, testing extensions and advancing near-mine resource growth around the planned Barani East oxide operation. The most relevant point is that drilling could identify additional shallow oxide material near existing or planned infrastructure. If successful, that could improve future mine-life flexibility and make the Barani-centered development concept more robust.

Barani Gap and Kolon-Soa are the most directly relevant targets because they could become near-mine or trucking-distance feed sources. Gourbassi West North and Mogoyafara South support the broader SMSZ scale argument because both already have resource context and are being tested for extensions. Koussili adds corridor-extension potential north of Gourbassi West North. Overall, the drill program helps keep the wider SMSZ growth story alive without distracting from the near-term production push.

Overall, the combined news flow is positive and improves confidence in the investment case. Barani East is visibly moving toward installation and commissioning, with equipment accepted and shipped, site works underway and a mid-July commissioning target confirmed. At the same time, the SMSZ drill program provides additional resource and mine-life upside. The next key milestones are water-supply confirmation, equipment arrival at site, installation, commissioning, first gold and drill results. If these milestones are delivered, Desert Gold should be increasingly difficult to value as a pure explorer and more credibly viewed as an emerging producer with meaningful resource growth optionality. We therefore confirm our Buy rating and target price of CAD 0.93 per share.

You can download the research here: 20260511\_Desert\_Gold\_Ventures\_Comment

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