



Mediaportal Report

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► **Talks of gold discovery thrills now as then**

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Since the first gold discovery in Western Australia's Kalgoorlie Super Pit was made in 1983, miners are still brimming with excitement over new gold explorations. As the industry congregates for the annual Diggers & Dealers forum, one gold explorer, Gold Road Resources, is at the forefront of the sector. Chief executive Ian Murray says the latest drill results are expected to produce intercepts greater than 10 grams. The company owns 5000 square kilometres of tenements in its Central Bore and Justinian gold projects in WA's Yamarna belt. Trent Allen, resource analyst at Bell Potter, rated the company as a "speculative buy" while fund managers, such as Matthews Capital, Och-Ziff Capital Management and London's CQS, have invested on the company.

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Talk of gold discovery thrills now as then

Precious yellow metal

Dan Hall

Mining camp conversations in Western Australia's Eastern Goldfields have not changed all that much since three Irish prospectors — Dan Shea, Tom Flanagan and Paddy Hannan — made the first discovery of gold in 1893 near what is now the Kalgoorlie Super Pit.

Certainly the markets have changed. Gold is tradind at a record, beyond \$US1600 an ounce. Creature comforts have also made exploration much easier but the excitement of a new gold find has a language of its own that has transcended time and generations

of explorers. Gold discoveries set tongues wagging before every annual Diggers & Dealers resources gabfest in Kalgoorlie, evidence of the allure of the precious yellow metal and its enduring appeal to those in mining circles.

As beer flows in the now infamous Kalgoorlie bars during Diggers 2011, talk of one gold explorer, Gold Road Resources, may generate a renewed interest in WA's goldfields.

Gold Road is proving itself a standout among gold explorers in the region.

The company continues to impress with stunning drill intersections at its Central Bore

and Justinian gold projects on the Yamarna belt in WA.

Chief executive Ian Murray says he is confident that the latest drill results, conveniently timed for release around the opening days of the Diggers conference, will confirm further high-grade gold mineralisation.

"We are certainly expecting a lot of intercepts greater than 10 grams of gold per tonne," Murray says.

Millions of years ago a series of related rock formations formed in a belt-like fashion across WA,

leaving behind millions of ounces of contained gold.

"Shear zones 35 kilometres deep brought fluids to the surface and deposited gold on the various belts," Murray says.

The Kalgoorlie belt, the most famous of these formations, has produced more than 120 million ounces of gold since early discoveries in the 19th century.

Further east of the Kalgoorlie belt, about 150 km east of Laverton on the eastern edge of the Yilgarn Craton, the Yamarna greenstone belt was formed.

Gold Road owns tenements covering a whopping 5000 square kilometres of the Yamarna greenstone belt.

It is now drilling out the most prospective of these targets while completing scoping studies on two of many deposits within the tenement package.

"It took us a few years to get to

Same as it ever was: The first gold discovery in WA caused great excitement in 1893.

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Diggers & Dealers
 KALGOORLIE, WESTERN AUSTRALIA

know the belt. We understand what to look for now and we aren't missing the deposits," Murray says.

In its last announcement on June 20, the company revealed intersections of 40.1 grams per tonne of gold at its Central Bore target and intersections of 8.64 grams of gold per tonne at its Justinian target.

Bell Potter resource analyst Trent Allen says Gold Road has the potential to build an inventory of multimillion ounces of gold in eastern WA.

"A resource expansion, scoping study and fast-track development decision are possible in late 2011," Allen says.

He has set a "speculative buy" rating on the company and a price target of 85¢.

Fund managers, including noted commodity hedge fund Matthews Capital, Och-Ziff Capital Management and London-based fund manager CQS have jumped on board.

"Focused gold funds are blown away with the concept that one company can own an entire belt," Murray says.

In the weeks after the company's investment briefings in March the Gold Road share price jumped from 42¢ to 55¢ in four days.

Over the past 12 months Gold Road's share price has increased by 540 per cent.

The company was planning to complete 100,000 metres of drilling this year, however it has already drilled more than 75,000 metres and is likely to continue drilling at this rate. Two scoping studies are under way on the Central Bore and the lower-grade Attila targets, just one of multitude of targets within the Yamarna belt.

"We should have them completed by the end of the year, and that will give us a better indication of how quickly we can go into production.

"It could be 2013, but the focus for us is to drill as quickly as we can," Murray says.