

Mediaportal Report

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► **Roaring Perseus tickles investors' ivories**

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By: David Ciampa

Some investors may believe that Perseus Mining has had its run after it rose more than 800 percent in the past 18 months. But some analysts are tipping that the stock to rise in the near term following a resource upgrade at its Sissingue deposit at its Tengrela gold project in the Ivory Coast. Its shares reached a record high of \$2.44 each last week ahead of the announcement. Royal Bank of Scotland upgraded the stock from a 'hold' to a 'buy'. However, the major project for Perseus is the Central Ashanti gold project in Ghana where increased grades have more than offset a decrease in total tonnage. Separately, shares in gold producer St Barbara lifted by over 4 percent on Tuesday with investors hopes of an increased profit were buoyed by an encouraging quarterly report with lower cash costs. Ounces shipped for the quarter came in at \$1244 an ounce. In other news, lithium miner Galaxy Resources continues to prepare for its move into China. It has appointed as an independent non-executive director in former Sino Gold chief financial officer Ivo Polovineo, who has 12 years experience with Sino Gold that owned three mines in China. Galaxy started mining at its Mount Cattlin mine in Western Australia in March, with its first shipments of ore expected in the September quarter.

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Resources

David Ciampa

With Perseus Mining rising more than 800 per cent over the past 18 months, some investors might be thinking the gold explorer has already had its run. However, some analysts are still tipping the stock to rise in the near term after it upgraded the resource at its Sissingue project this week.

Some investors moved in early as shares in the West African miner posted a record high of \$2.44 each last week, ahead of the

announcement it had upgraded the mineral resource at the Sissingue deposit at its Tengrela gold project in Ivory Coast. Grades at the site improved by 30 per cent, while contained ounces increased by 13 per cent. Royal Bank of Scotland upgraded the stock from a "hold" to a "buy", citing an enhanced net present value of the company's second project.

The main game for Perseus is the Ghanaian-based Central Ashanti gold project. The resource update may have dropped total tonnes by 12 per cent, but the increased grades have given greater confidence about

the production profile. "The availability of higher grades early on in the mining profile has a significant positive impact on the project NPV due to bringing forward cash flows," RBS said.

Perseus could now have output peaking at 320,000 ounces by 2014, up from 250,000 ounces previously estimated.

RBS has lifted its share price target from \$2.10 to \$2.53, reflecting the impact of a 20 per cent increase in net present value of the company.

Some investors who bought into the stock when it was fetching as low as 23c in November 2008 have been

rewarded handsomely as it has risen almost 10-fold.

Shares in gold producer St Barbara advanced by over 4 per cent on Tuesday as investor hopes that the company could post a profit for the 2010 financial year were boosted by an encouraging quarterly report. The high-cost producer's operating cash costs came in at the lower end of its guidance at \$790 per ounce for fiscal 2010, while sales price for its 237,294 ounces shipped for the year recorded an average of \$1244 an ounce. While this only considers operating cash costs and sales, it might pave the way for the company to post a profit. St

Barbara recorded a \$76 million net loss after tax last year and a \$17 million loss in fiscal 2008.

Lithium miner Galaxy Resources continues to gear up for its exploits into China, appointing former Sino Gold chief financial officer Ivo Polovineo as an independent non-executive director.

Mr Polovineo's 12 years' experience with Sino Gold, which owned three mines in China, is an obvious match for Galaxy.

Galaxy began mining at its Mount Cattlin mine in WA in March, and expects to begin shipping its first ore in the September quarter.