



Gold

## 2004 EMERGING RESOURCE COMPANIES SHOWCASE – 6 MONTH UPDATE

In June 2004, in what is now becoming an annual event, RFC and Numis Securities jointly presented the Emerging Resource Companies Showcase in London.



Lead

The Showcase highlights prospective junior Australian resource companies to European investors. This year's companies were:

- Ballarat Goldfields – AIM/ASX dual-listed company developing the historical Ballarat goldfield in Victoria, Australia.
- Consolidated Minerals – AIM/ASX dual-listed producer of manganese and chromite in WA.
- Elkedra Diamonds – AIM/ASX dual-listed diamond company developing the Chapada diamond project in Brazil.
- Gallery Gold – gold producer from the Mupane mine in Africa.
- Giralia Resources – precious and base metal explorer focused in Australia, Indonesia and the US.
- Lafayette Mining – constructing the Rapu Rapu polymetallic project in the Philippines.
- Sally Malay Mining – nickel producer in WA.
- Tethyan Copper - exploring the Reko Diq Copper Gold Project in Pakistan.



Copper



Platinum

While the recent equities environment has been positive for resource stocks, most companies that presented at the Showcase have performed well above the sector average.

Since the 2004 conference, shares of all but one of the participant companies have performed exceptionally well, with an average gain of 54% over six months. This is more than two and a half times that of comparative indices over the same period. The performance of the 2004 Showcase companies is shown in Table 1.



Nickel

The companies which presented at the 2003 conference have performed similarly well, with an annualised return of 135% over the 18 month period since – more than three times that of comparative indices for the same period. The performance of the 2003 Showcase companies is shown in Table 2.



Iron



Aluminium

Share prices across the mining sector have risen dramatically over the last three months, and while we believe the outlook is still strong, quality stock selection will play an important role for investors in 2005.



Zinc

## The Alchemist



Silver

**Table 1: Returns from participants in the 2004 Emerging Resource Companies Showcases**

Cents (A\$ terms)	June 2004 share price	Share price at 31 Dec 04	6 month gain
Ballarat Goldfields <sup>1</sup>	10	16	82%
ConsMins	116	265	128%
Elkedra Diamonds <sup>2</sup>	26	32	26%
Gallery Gold	25.5	41	61%
Giralia Resources	14	19	36%
Lafayette Mining	9.7	18	86%
Sally Malay	79	89	13%
Tethyan Resources	44.5	44	-1%
<b>Average</b>			54%
FTSE 350 Mining Index <sup>3</sup>			13%
AGC/Hartleys Explorers Index			17%
S&P/ASX 300 Materials			21%

<sup>1</sup> Assumes taking the 2 for 5 rights issue @ 9cents on 30/6/04 plus 1 free option per new share @ 15 cents

Source: Bloomberg and RFC

<sup>2</sup> Includes a free 1: 1 12<sup>1</sup>/<sub>2</sub>p warrant attached to the placement

<sup>3</sup> AUD\$ equivalent

A brief update on each of the 2004 Showcase companies is appended.

**Table 2: Returns from participants in the 2003 Emerging Resource Companies Showcases**

Cents (A\$ terms)	June 2003 conference share price	Share price at 31 Dec 04	18 month gain	Annualised gain
Anvil	13	64	392%	189%
Ballarat <sup>1</sup>	4.7	16	301%	152%
Bolnisi	18	54	200%	108%
ConsMins	59	265	349%	172%
Red 5	5.8	15	159%	88%
Sally Malay	28	89	218%	116%
Western Areas	46	146	217%	116%
<b>Average</b>			262%	135%
FTSE 350 Mining Index			47%	29%
AGC/Hartleys Explorers Index			75%	45%
S&P/ASX 300 Materials			57%	35%

<sup>1</sup> Assumes taking the 2 for 5 rights issue @ 9cents on 30/6/04 plus 1 free option per new share @ 15 cents

Source: Bloomberg and RFC

**APPENDIX – SUMMARY OF 2004 EMERGING RESOURCE COMPANIES**

Ticker codes noted below are Australian Stock Exchange (ASX)

- **Ballarat Goldfields NL (BGF)**

Managing Director - Richard Laufmann

Ballarat is dual-listed on the ASX and London's AIM market. Ballarat controls 100% of the historical Ballarat gold district in Victoria, and has defined a potential 6 million oz resource.

The company is currently developing the 3.5Moz Ballarat East project. First gold is expected in early 2006 with eventual full production of 200,000oz pa at an estimated cash cost of A\$274/oz.

- **Consolidated Minerals Limited (CSM)**

Managing Director - Michael Kiernan

Consolidated Minerals (ConsMins) main operation is mining manganese from the Woodie Woodie mine in the Pilbara region of Western Australia. ConsMins is a long-term player in high margin manganese with a current expected 10 year mine life at its Woodie Woodie operation. In December 2004, the company completed a \$6.5m expansion to boost production by 33% to 800,000tpa. A 1mtpa long-term production rate will be achieved through incremental increases in production to June 2005.

ConsMins will continue to benefit from China's burgeoning steel production growth.

- **Elkedra Diamonds NL (EDN)**

Managing Director – Donald Best

Elkedra Diamonds NL is dual-listed on the ASX and AIM markets. Elkedra is a diamond exploration company with workings in Chapada in the state of Mato Grosso, Brazil, the Altjwarra Craton in the Northern Territory.

The Chapada Alluvial Diamond Mining Project is at an advanced development stage. First production is expected in the fourth quarter of CY 2005.

- **Gallery Gold Limited (GGN)**

Managing Director - Hamish Bohannan

Gallery Gold Limited is primarily involved in the exploration and development of gold resources in Botswana and Tanzania. The company's current focus is the Mupane mine. The company is also pursuing other advanced stage projects in Botswana and Tanzania.

Production commenced at Mupane in late 2004 and is now ramping up to full capacity. Initial results are encouraging with high recoveries, good head grades and throughputs close to plan, despite preliminary production issues with the water pipeline and delays to the installation of the ball mill.

- **Giralia Resources NL (GIR)**

Managing Director - Michael Joyce

Giralia's primary objective is the discovery of significant precious and/or base metals mineralisation through the identification, acquisition and exploration of targets with the potential for world class mineral deposits. Shareholders have exposure to a substantial portfolio of mineral exploration properties in Australia and overseas. Exploration is largely funded by farm-in Joint Venture partners, including a number of arrangements in which Giralia's interest is free-carried to development.

Giralia's current projects are located in Western Australia and South Australia and include gold, copper and nickel prospects.

- **Lafayette Mining Limited (LAF)**

Managing Director - Andrew McIlwain

Lafayette listed on the ASX in 1997 after acquiring the Rapu Rapu exploration project in the Philippines.

Detailed feasibility studies of the Rapu Rapu mineral resource support a mine plan where annual production of approximately 10,000t of copper, 14,000t of zinc, 50,000oz of gold and 600,000oz of silver. The initial mine life is six years of open cut mining, processing 1mtpa of ore. Gold production is due to commence in the second quarter of 2005 with copper and zinc production scheduled to begin approximately three months later.

- **Sally Malay Mining NL (SMY)**

Managing Director - Peter Harold

Sally Malay has a 100% interest in the Sally Malay nickel project in the Kimberley region of Western Australia as well as 75% Lanfranchi Joint Venture in Kambalda. First ore was delivered from the Sally Malay mine late 2004 and first ore delivery from Lanfranchi is scheduled for early 2005.

Sally Malay produces a high quality nickel, cobalt and copper concentrate and has full off-take agreements with the Jinchuan group in China.

The company has a growth orientated management team and should be expected to develop Sally Malay beyond a single project company.

- **Tethyan Copper (TYC)**

Managing Director - David Moore

Tethyan controls the Reko Diq Project in Pakistan. The Reko Diq Project is a giant porphyry copper and gold complex with over 4.8Mt of contained copper metal and 9Moz of contained gold already delineated. A further 14 mineralised porphyry bodies are known to exist with the potential to place Reko Diq Project among the largest undeveloped copper resources on the globe.

Tethyan's goal is the staged development of a world-class copper-gold mine at Reko Diq and springboard to its larger ambition to be a major copper producer, supplying the growing economies of Asia.

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