



Gold

2004 EMERGING RESOURCE COMPANIES SHOWCASE – 9 MONTH UPDATE

In this issue of the Alchemist we provide an update on the performance of the companies that presented at the annual Emerging Resource Companies Showcase arranged by RFC and Numis Securities.



Lead

The annual Showcase highlighted prospective junior Australian resource companies to UK and European investors. Those companies that presented in June 2004 included:

Ballarat Goldfields ASX/AIM dual-listed company developing the historical Ballarat goldfield in Victoria, Australia.

Consolidated Minerals ASX/AIM dual-listed producer of manganese, chromite and nickel in Western Australia.

Elkedra Diamonds ASX/AIM dual-listed diamond company developing the Chapada diamond project in Brazil.

Gallery Gold Gold producer and explorer focussed on Botswana and Tanzania.

Giralia Resources Precious and base metal explorer focused on Australia, Indonesia and the USA.

Lafayette Mining Mining gold, copper, lead and zinc from the Rapu Rapu polymetallic project in the Philippines.

Sally Malay Mining Producing nickel from the Sally Malay and Lanfranchi mines in Western Australia.

Tethyan Resources Completing a feasibility study for the Reko Diq copper/gold project in Pakistan.



Platinum



Nickel



Iron



Aluminium



Zinc



Silver

The companies that presented at the 2004 Showcase have continued to perform well above the sector in the three months since our last update.

The average gain of the 2004 presenters is 85% for the nine months from June 2004 to March 2005. This is approximately three times that of comparable indices over the same period. The performance of the 2004 Showcase companies is shown in Table 1 over the page.

Companies that showcased at the 2003 conference have also well out-performed the market, with an average annualised return of 113% since June 2003. This is more than twice that of comparable indices for the same period. The performance of the 2003 Showcase companies is shown in Table 2 over the page.

The Alchemist

Cents (A\$ terms)	Value at June 2004 conference	Value at end of March Quarter 2005	9 month gain
Ballarat Goldfields	10	20.5	105%
Consolidated Minerals	116	370	219%
Elkedra Diamonds¹	10 ²	14.3	43%
Gallery Gold	25.5	42	65%
Giralia Resources	14	23.5	68%
Lafayette Mining	9.7	21.5	122%
Sally Malay	79	92	16%
Tethyan Resources	44.5	63	42%
Average			85%
FTSE 350 Mining Index			21%
ASX SmallCap Resources Index			25%
ASX Resources 300 Index			36%

Note 1: Values in UK pence

Source: Bloomberg and RFC

 Note 2: Share price upon listing on AIM at 3rd September 2004, assumed at 30 June 2004.

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

Cents (A\$ terms)	Value at June 2003 conference	Value at end of March Quarter 2005	21 month gain	Annualised gain
Anvil	13	55	323%	128%
Ballarat Goldfields	4.7	20.5	336%	132%
Bolnisi	18	56	211%	91%
Consolidated Minerals	59	370	527%	186%
Red 5	5.8	11.5	98%	48%
Sally Malay	28	92	229%	97%
Western Areas	46	165	259%	107%
Average			283%	113%
FTSE 350 Mining Index			58%	30%
ASX SmallCap Resources Index			84%	42%
ASX Resources 300 Index			91%	45%

Source: Bloomberg and RFC

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

APPENDIX – SUMMARY OF 2004 EMERGING RESOURCE COMPANIES

Ticker codes noted as Australian Stock Exchange followed by Alternative Investment Market (ASX/AIM), where applicable.

- **Ballarat Goldfields NL (BGF/BGF)**

Managing Director - Richard Laufmann

Ballarat is dual-listed on the ASX and AIM markets. Ballarat controls 100% of the historical Ballarat gold district in Victoria.

The company is currently developing the Ballarat East project, which has an estimated exploration potential of 9.2Moz of gold. Construction is well advanced, with first gold expected to be processed in the fourth quarter of 2005. The company is targeting full production of 200,000oz pa of gold at an estimated cash cost of A\$274/oz within a three year ramp up period.

- **Consolidated Minerals Limited (CSM/CNM)**

Managing Director - Michael Kiernan

Consolidated Minerals (ConsMins) is a long-term player in high margin manganese with a current expected mine life of 16 years and a long term production rate of 1mtpa at its Woodie Woodie operation. The company also produces 250,000 tonnes of chromite from its Coobina project in the Pilbara.

ConsMins recently acquired ASX listed nickel miner Reliance Mining and is targeting 10,000tpa of nickel production.

- **Elkedra Diamonds NL (EDN/EDN)**

Managing Director – Donald Best

Elkedra Diamonds NL is dual-listed on the ASX and AIM markets. Elkedra is developing the Chapada diamond project in Brazil, which is expected to produce around 30,000 carats per year over an initial 9 year life. Chapada diamonds have been independently assessed as having a value of greater than US\$400/ct. First production is expected in the December quarter. Elkedra is also exploring for kimberlite diamond deposits in Australia.

- **Gallery Gold Limited (GGN)**

Managing Director - Hamish Bohannan

Gallery Gold Limited recently commissioned the Mupane gold mine in Botswana. Production results for the mine's first quarter of operations were 24,494 ounces produced at a cash cost of US\$233 per ounce. The company has highlighted that additional high-grade feed may be available from the nearby Map Nora deposit, with feasibility studies underway. The company is also pursuing other advanced stage projects in Botswana and Tanzania, including the Buckreef/Rwamagaza project where gold resources of 1.4 million ounces have been identified.

- **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 holds an interest in the Rapu Rapu polymetallic project in the Philippines through its subsidiary companies and Philippine partners. The Rapu Rapu mineral resource will support an initial 6 year mine life producing approximately 10,000 tonnes of copper in concentrates, 14,000 tonnes of zinc in concentrates, 50,000 ounces of gold and 600,000 ounces of silver annually.

Mining works started in early 2005 with the first production from the gold plant scheduled in the second quarter of 2005 and base metals concentrate production to commence 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% of the Lanfranchi Joint Venture in Kambalda. The Sally Malay project produced 187,100 tonnes of ore in the March 2005 quarter at an average grade of 1.15% Ni, 0.56% Cu and 0.06% Co. First ore delivery from Lanfranchi is scheduled for mid 2005 with an estimated production for fiscal year 2005/06 of 145,000 tonnes, containing 3.4% Ni.

- **Tethyan Copper (TYC)**

Managing Director - David Moore

Tethyan controls 76% of the Reko Diq Project in Pakistan. The Reko Diq Project is a giant porphyry copper/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 nearby.

Tethyan is undertaking a bankable feasibility study on Reko Diq as a 42,000 tonne per annum heap leach, open-pit mining operation. The study is well-advanced and due for completion in mid-2005. The initial mine layout design has been completed with topographic surveys of the water pipe-line route, airstrip, accommodation village, leach pads, waste dumps and site offices complete. Geotechnical studies on the pipe-line route, leach pads and waste dumps locations are underway. Initial capital requirements for the project are estimated at US\$133million.

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