

BUY

From Speculative Buy

Price 10.1p
Target price 21.0p

Reuters/BBG Index Sector Market Cap
GDP.L/GDP.LN FTSE AIM Mining £17.0m

MORNING COMMENT

Goldplat*

Operational Update

Event

Goldplat has provided an operational update and it confirms that the company is progressing toward a major extensional exploration campaign which has the potential to significantly expand the companies JORC compliant mining resource base. As we said in a note of 7 March 2011 'These projects all show scope for **promising extensional exploration** and we fully expect significant resource additions will be made in the periods ahead'.

Implications

The campaign at Kilimapesa (Kenyan gold mine) is expected to commence May 2011 and include 28 diamond drill holes, with the aim of increasing the JORC compliant resource to over 500,000 oz from the current 129,000 oz. Given our understanding of the regions mineralisation system we anticipate this is a highly achievable target. Phase 1 of this program is expected to last six weeks.

The Kilimapesa metallurgical plant started processing existing stocks in February 2011 and an elution plant and smelter that have been ordered are due for commissioning in July 2011. At that point it is expected Kilimapesa will produce first bullion for export.

At the Nyieme Gold Project (Burkina Faso) a 2,500m reverse circulation drilling campaign is expected to commence April 25 with first results expected July 2011. This campaign is to follow up previous soil sampling and trenching campaigns and one of the targets is a 2m thick vein which hosts artisanal workings. Goldplat is aiming for a significant uplift in resources at Nyieme.

The acquisition of Banka Gold Project (Ghana) in the Ashanti region (for which Goldplat has entered into a binding memorandum) is progressing and the company will update shareholders in due course.

Investment Opinion

Goldplat is making further progress toward adding significant mining assets to its portfolio. This, coupled with its long history of profitability and increasing geographic diversity is the reason behind our upgrading to Speculative Buy to **BUY**

*WH Ireland acts as Broker and Nomad

MARKETING COMMUNICATION

This document has not been prepared in accordance with legal requirements designed to promote the independence of investment research.

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		FY11E	FY12E	FY13E	FY14E	FY15E
Total Revenue	USD	25.30	23.90	20.82	19.35	19.49
Total Revenue	GBP	16.01	15.13	13.17	12.24	12.33
Group EBIT	USD	6.95	7.94	7.52	6.52	6.48
Group EBIT	GBP	4.40	5.02	4.59	4.13	4.10
NPAT	USD	4.86	5.79	5.10	4.58	4.55
NPAT	GBP	3.08	3.67	3.22	2.90	2.88
P/E		5.5	4.6	5.2	5.8	5.8
Attributable Production	OZ	18,926	19,556	19,556	17,103	17,251

Source: WH Ireland estimates

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Buy

Expected to outperform the FTSE All Share by 15% or more over the next 12 months.

Outperform

Expected to outperform the FTSE All Share by 5/15% over the next 12 months.

Market Perform

Expected to perform in line with the FTSE All Share over the next 12 months.

Underperform

Expected to underperform the FTSE All Share by 5/15% or more over the next 12 months.

Sell

Expected to underperform the FTSE All Share by 15% or more over the next 12 months.

Speculative Buy

The stock has considerable level of upside but there is a higher than average degree of risk.

Share Price Target

The share price target is the level the stock should currently trade at if the market were to accept the analyst's view of the stock and if the necessary catalysts were in place to effect this change in perception within the performance horizon.

Stock Rating Distribution

As at the quarter ending 31 March 2011 the distribution of all our published recommendations is as follows:

Recommendation	Total Stocks	Percentage %	Corporate
Buy	34	67%	26
Speculative Buy	7	13%	7
Outperform	4	8%	1
Market Perform	4	8%	3
Underperform	0	0%	0
Sell	2	4%	0
Total	51	100%	37

This table demonstrates the distribution of WH Ireland recommendations. The first column illustrates the distribution in absolute terms with the second showing the percentages.

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This report has been reviewed by the Head of Institutional Research as an Approved Person

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