

Speculative BUY

Unchanged

Price 10.75p
Target price 21.0p

Reuters/BBG Index Sector Market Cap
GDP.L/GDP.LN FTSE AIM Mining
£17.9m

MORNING COMMENT

Goldplat*

Interim Results: More Steady Progress

Event

Goldplat has announced its interim results for the period ended 31 December 2010. Operating profit of £1.44m was up 17% on the same period (£1.22m) in 2009. After tax, profits were £1.14m (£0.76m in 2009). Gold production at the South African and Ghanaian recovery plants was 13,910 oz (8,309 in 2009). Regulatory approval was granted in February 2011 for the commencement of mining operations at the Kilimpaesa Gold Mine in Kenya. At the period end cash stood at £6.4m.

Implications

Goldplat's 2011 interim results again highlight the robust and profitable nature of the legacy South African and Ghanaian gold recovery operations. The recent granting of the mining license in Kenya (Kilimpaesa) underlines the trajectory of the company in becoming an African mine operator and project developer.

With its healthy cash position (£6.4m) and the cash generative nature of the recovery operations we believe Goldplat is well placed to leverage its significant experience operating on the African continent. To this end the company has a number of gold projects in various stages of development including Nyieme (Burkina Faso), Banka (Ghana) and Kilimpaesa (Kenya).

These projects all show scope for **promising extensional exploration** and we fully expect significant resource additions will be made in the periods ahead.

Investment Opinion

We again reiterate Goldplat's long history of profitability and successful operation within Africa. These facts indicate the company is extremely well placed to fulfil its ambitions of becoming a niche gold project development and mining company – having both the financial strength and local expertise to do so. **Speculative 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		5.8	4.9	5.6	6.2	6.2
Attributable Production	OZ	18,926	19,556	19,556	17,103	17,251

Source: WH Ireland estimates

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Disclosures

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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 December 2010 the distribution of all our published recommendations is as follows:

Recommendation	Total Stocks	Percentage %	Corporate
Buy	18	40%	6
Speculative Buy	9	20%	9
Outperform	8	18%	1
Market Perform	4	8%	3
Underperform	3	7%	0
Sell	3	7%	0
Total	45	100%	19

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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