

BUY

Unchanged

Price 11.0p
Target price 21.0p

Reuters/BBG Index Sector Market Cap
GDP.L/GDP.LN FTSE AIM Mining
£18.4m

MORNING COMMENT

Goldplat*

Banka completion and Kenyan update

Event

Goldplat has released technical details (compiled by SEMS exploration consultancy) of its recently acquired Banka Mining Lease in the Ashanti region of Ghana along with an operational update for its Kilimapesa gold mining project in the Migori Greenstone Belt, Kenya.

The Banka project is 10km southwest of, and along strike from Newmont's 14Moz Akyem deposit; the current non JORC resource stands at 262,107oz with drilling to 100m depth. It is expected this resource can be expanded and sanctioned with JORC status following infill and extensional drilling. It is common to conglomerate hosted resources (such as Banka's) that tighter drill patterns can uplift mineral resource estimates with relative ease. The Banka lease area covers 29.96 sq km and exhibits notable levels of historic artisanal mining and hosts a number of highly prospective targets.

At the Kilimapesa gold project in Kenya, final stages in the issuance of a full mining lease are being reached with final documentation having been delivered to the Commissioner of Mines and Geology in Kenya. Underground development is expected to re-commence with a view to increasing the 250m underground quartz vein strike exposure at the Kilimapesa Hill target area. At Kilimapesa a 1,120m drilling program is to focus on the Vim/Rutha and Redray targets, 2km south of the mining area. Goldplat anticipate significant resource upgrades at Kilimapesa, to 0.5Moz.

Implications

With the addition of Banka, Goldplat is continuing to add substantial gold exploration, development and mining assets to its portfolio. These projects are in highly prospective regions of Ghana, Kenya and Burkina Faso and compliment the company's highly cash generative Ghanaian and South African precious metals recovery operations.

Investment Opinion

Goldplat continues to make progress towards adding significant mining assets to its portfolio. The company also has a long history of profitability and is highly cash generative. Goldplat is a compelling investment case on an asset, earnings and prospectivity basis. **BUY**

		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		5.9	5.0	5.7	6.3	6.3
Attributable Production	OZ	18,926	19,556	19,556	17,103	17,251

Source: WH Ireland estimates

*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.

Analyst Tom Elder
+44 (0) 113 394 6607
tom.elder@wh-ireland.co.uk

WH Ireland Limited, 11 St James's Square, Manchester, M2 6WH

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

Recommendation	Total Stocks	Percentage %	Corporate
Buy	49	49%	18
Speculative Buy	2	2%	1
Outperform	16	16%	3
Market Perform	26	26%	4
Underperform	7	7%	0
Sell	0	0%	0
Total	100	100%	26

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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WH Ireland Limited

11 St James's Square

Manchester M2 6WH

T: 0161 832 2174

F: 0161 839 5706

www.wh-ireland.co.uk