



## Catalpa Resources

▶ **ABC Goldfields WA (Perth)**  
**Rural & Resources Report - 5/05/2010 6:48 AM**  
**Tara De Landgraft**

Landgraft reveals that Catalpa Resources has poured first gold in the region two months ahead of schedule, with final commissioning to be completed as early as next week. She notes that the Edna May mine locked in record high prices for some prospective stock a year ago and CEO Bruce McFadzean has acknowledged that recent tax reform announcements are of concern to the financial future of the company. McFadzean assures that the project is on budget and attributes the advancement of the project to the global financial crisis, during which more people were seeking a secure job. He reveals that 114 people have been employed in the past year, adding that 40% are from the local area. He explains that performance testing will be taken out on the process plant will take place over the next few weeks in the lead up to full production. McFadzean assures that the quality is 'pretty good' and expresses confidence that the Golden Point mine will be extended. He suggests that it would be 'bizarre' to turn away from the resource, acknowledging that the share price of Catalpa Resources has declined 6% following the release of the Henry Tax Review and subsequent super profits tax. McFadzean suggests that the Govt will have a 'battle' on its hands.

**Interviewees:** Bruce McFadzean, CEO, Catalpa Resources

**Duration:** 1.32

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### Demographics

Demographics are not available as the media outlet has not commissioned audience research into this timeslot.



# Gold flows ahead of schedule

CATALPA Resources has begun the fourth mining episode in 100 years at the Edna May Gold Project near Westonia.

In the process the company has emerged as one of Australia's fastest growing mid-tier gold producers as it poured its first gold last Thursday.

The pour came two months ahead of schedule, just nine months after project approval.

Following the commissioning of gravity and carbon recovery the first production gold pour of 414oz of dore, an alloy of gold, silver and other metals expected to refine to approximately 85 per cent pure gold.

Managing director Bruce McFadzean said ramp-up to full production capacity of 2.8Mtpa was underway and Catalpa would be producing gold at a rate of more than 130,000oz per annum by July from Edna May and its 30 per cent share in the Cracow Gold Operation in Queensland.

"This is a significant milestone in Catalpa's history, and an achievement all of our contractors and employees can take pride in," Mr McFadzean said.

"While the successful commissioning of the Edna May Gold



**Glowing start: The result of months of hard work at Catalpa Resources' Edna May Gold Project.**

Project firmly establishes Catalpa as a successful gold developer, our aim now is on reaching steady-state production in coming months."

He said funds from recent equity raising would be used to expedite ongoing exploration at Edna May.

"We are very confident in the project's exploration upside potential and, in particular, will be fast-tracking programs at the

Greenfinch, Golden Point and Edna May Underground targets with a view to extending the Edna May life of mine beyond its current nine years," Mr McFadzean said.

"With our exceptional forward-sold gold price of \$1557.50 for 352,316oz of Edna May's production, we expect to realise excellent cash operating margins to retire debt and fund Catalpa's future growth."

## Media Monitoring

6 May 2010

### HIGHGRADE

<http://www.highgrade.net/article.htm?article=2829>

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## Love and other emotions

Michael Quinn, [5 May 2010](#)

FRESH back from a roadshow through North America, Catalpa Resources managing director Bruce McFadzean's belief that Toronto is the ultimate listing destination for the company has been affirmed.

He claimed the company was very well received – “everybody loves us” – on the basis of being undervalued.

McFadzean also commented that the “baggage” the company's new Edna May project evidently carried with Australian investors, wasn't an issue with those in North America. Asked for comparisons in terms of Catalpa being undervalued, he cited Kingsgate Consolidated and Perseus Mining, capitalised this week at \$A820 million and \$A650 million respectively – versus Catalpa's \$A250 million.

Questioned as to whether the comparison with Kingsgate was valid because of the Thailand miner's excellent margins and a significant new expansion nearly in train, McFadzean responded: “I think their margins a not a lot different to ours, I think that's important ... we have similar reserves and resources, and we're producing similar number of ounces.”

For the record, Kingsgate produced 32,646oz last quarter at cash costs of \$US332/oz – and has plans to double throughput – with Catalpa's first gold pour at Edna May late last month making actual comparisons difficult at this stage. However, the 100,000oz per annum operation is forecast to have an operating cashflow margin of \$A72 million per annum at a gold price of \$A1400/oz.

McFadzean said the company had yet to decide on the timing of a North American listing, but agreed that should Newcrest/Lihir assets Cracow and Mt Rawdon be put up for sale, a listing could be tied in with such a transaction.

However, he was also reeling from the potential disincentive of owning Australian located mining assets in the wake of the Resources Super Profit Tax, saying he found the proposal “abhorrent” and queried why banks weren’t being targeted.

