

Media Monitoring

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Catalpa kicking goals and placing bets

Apart from Avoca Resources' move on Dioro Exploration, the junior gold sector has been fairly barren when it comes to M&A activity in the past couple of years.

And the suggestion that Avoca's next move would be Integra Mining was discredited by Pala Investments' sale of its 10 per cent stake in Integra last week. St Barbara has demonstrated its ability to raise equity over and over but hasn't done much when it comes to establishing a profitable company.

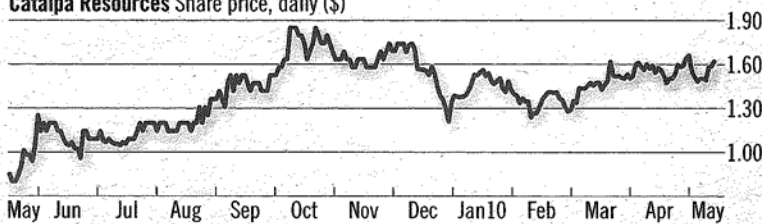
For the company to become the 500,000 ounce a year producer it has talked about, it will have to do something corporately which could be difficult given it has almost 2 billion shares on issue.

Not far away, Catalpa Resources has been kicking plenty of goals with the first gold poured from its Edna May project two months ahead of schedule and construction completed under budget.

The group also has a 30 per cent stake in Newcrest Mining's Cracow gold

Gold fever

Catalpa Resources Share price, daily (\$)



SOURCE: BLOOMBERG

mine in Queensland. Perth-based Catalpa also has a pre-emptive right over the remaining 70 per cent and should Newcrest's bid for Lihir Gold be completed, Cracow would become more non-core than it is now, suggesting there's a deal to be done.

Rumours over the weekend suggest Catalpa will further expand its footprint with a 5 per cent stake in Renaissance Minerals, a company being spun out of

West African gold explorer Gryphon Minerals. Renaissance has raised \$6 million through BGF Equities and Max Capital. Gryphon will retain a 17 per cent stake.

Catalpa is right next door to Renaissance's projects, so Catalpa managing director Bruce McFadzean probably thinks a small investment is worth a punt in case they stumble across an economic gold find.