

# Castlemaine Goldfields (CGT)

## COMPANY REPORT

### RECOMMENDATIONS

Rating	<b>Hold</b>
Risk	High
Price Target	\$0.13
Share Price	<b>\$0.11</b>

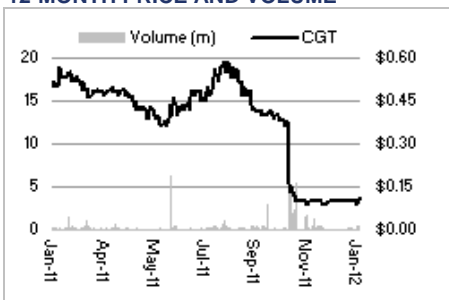
### SNAPSHOT

Monthly Turnover	\$0.2mn
Market Cap	\$25mn
Shares Issued	264.6mn
52-Week High	\$0.63
52-Week Low	\$0.09
Sector	Materials

### BUSINESS DESCRIPTION

Castlemaine Goldfields Limited (CGT) is an exploration and development company focused on discovering and developing gold deposits within Victoria (primarily at Ballarat).

### 12-MONTH PRICE AND VOLUME



### RESEARCH ANALYST

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### Disclosure

The author owns no shares in CGT.

### Recommendations

**Buy:** The stock's total return is expected to increase by at least 10-15 percent from the current share price over the next 12 months.  
**Hold:** The stock's total return is expected to trade within a range of ±10-15 percent from the current share price over the next 12 months.  
**Sell:** The stock's total return is expected to decrease by at least 10-15 percent from the current share price over the next 12 months.

E. L. & C. Baillieu Stockbroking Ltd acts in a corporate advisory role for Castlemaine Goldfields. In line with the company's internal compliance guidelines, our investment recommendation is restricted. E. L. & C. Baillieu Stockbroking Ltd has acted in a corporate advisory role for Castlemaine Goldfields and earned fees in relation to that activity in the past 12 months.

### Quarterly Result

- Castlemaine Gold has instigated a revised mine plan including a new ramp up schedule for production. The company made a one for one non-renounceable pro-rata rights issue with \$11.1 million of equity raised. At 31 December, Castlemaine Goldfields had \$16.37 million in the bank and has foreshadowed expenditure of \$10.36 million this quarter prior to expected gold sales receipts and interest income of \$3 million to \$4.5 million.
- With respect to restarting gold production, management has pointed out that the Lower Llanberris decline is a month ahead of schedule; its target in February is the Mako Lode. The Mako Lode has a JORC inferred resource estimate of 100,000 tonnes grading 10.5 grams per tonne (gpt) (33,100 ounces of gold); the estimate has been revised to 121,000 tonnes at 10 gpt (between five to 11 gpt) for 38,300 ounces. The company notes that satellite ores recently intersected met expected grades (unlike that experienced in the September quarter).
- A second underground drill rig has started with its primary task infill drilling of the Britannia Mako target. Clearly, the company does not want any surprises when it commences mining. During the quarter, Castlemaine Goldfields took control of mining from the contractor.

**FIG. 1: First Chance Line of Mineralisation with mining and exploration areas**

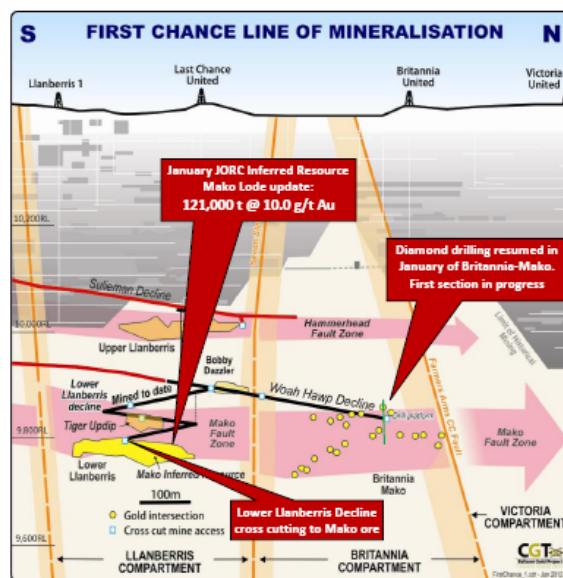


Figure 1. First Chance Line of Mineralisation with mining and exploration areas discussed in text shown.

Source: Castlemaine Goldfields

- The next three to six months is crucial for Castlemaine Goldfields as it moves to mine its first primary ore target. We await further updates.

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