

## Wedgetail closing on Nullagine funding

Michael Vaughan  
Friday, July 07, 2006

### **BUDDING gold producer Wedgetail Exploration continues to have success with the ongoing regional exploration at its Nullagine gold project as it gets closer to finalising the funding for the \$A43 million project.**

The company has advised due diligence activities by proposed lenders is almost complete and as such, Wedgetail expects to complete financing negotiations in the "near future".

Nullagine is forecast to produce 70,000 ounces of gold annually for its initial five-year life at cash costs of \$539 per ounce. At a gold price of \$860/oz, the project will generate net operating cash flow of \$91 million.

Wedgetail aims to produce first gold from Nullagine in the first half of 2007.



Engineering company Holtfreters is making progress on the design engineering for the 1 million tonne per annum carbon in leach processing plant at Nullagine and Wedgetail says it has saved in excess of \$1 million by picking up the CIL tanks and associated equipment from the Mt Todd gold project.

Turning to the regional exploration front, the company continues to have success drilling gold-in-soil anomalies in the Golden Gate area outside of the current 860,000oz global resource.

At the Buzzard, Condor and Harrier prospects in the Golden Gate area, Wedgetail has made a number of broad hits ranging from 8-20m at grades generally higher than the 2 grams per tonne gold grade of the global Nullagine resource.

Wedgetail chairman Clive Donner, who is also managing director of the Linq Resources fund, one of Wedgetail's major backers, says the promising grades in the new areas could assist Wedgetail with its ambitions to ramp up production to a rate of 100,000ozpa in the future.

"The overriding issue is that the base load of this project is ... low-grade, low-strip ratio, low-risk stuff and all this stuff out near Golden Gate is high-grade ore, it's relatively shallow and you don't need a lot of it to make a big impact and obviously it's within 20km trucking distance from the plant," Donner said.

"With the landholding that Wedgetail has ... there's lots of upside for expansion coming from those regional opportunities plus these is a lot of test work going on now looking at potential heap leach as well."

Donner says in about three months time, Wedgetail will have a firm idea of whether it can run a heap leach operation treating low-grade material that would have otherwise been treated as waste.

"There's probably another 20,000-30,000 ounces that could come out of that process," Donner said.

Shares in Wedgetail were unchanged at 3.1c in morning trade, capitalising the company at \$40.17 million.

#### Aspermont Limited

Street Address 613-619 Wellington Street, Perth WA Australia 6000

Postal Address PO Box 78, Leederville, WA Australia 6902

Head Office Tel +61 8 6263 9100 Head Office Fax +61 8 6263 9148

e-mail [contact@aspermont.com](mailto:contact@aspermont.com) website [www.aspermont.com](http://www.aspermont.com) ABN 66 000 375 048