

S&P GOLD 4269.3 ▼ S&P METALS 3050.7 ▲ S&P ENERGY 8774.8 ▼ S&P 300 5694.3 ▲ S&P 200 5746.5 ▲ S&P 100 4778.3 ▲

Anglo raises drilling funds

Kalgoorlie-Boulder exploration company Anglo Australian Resources yesterday announced it had raised \$615,000 through an equity placement.

Some 30.75 million new fully paid ordinary shares would be issued at a price of 2¢ a share, with all costs associated with the placement payable in additional new shares, the company's ASX announcement said.

The company would put the money towards a second-round aircore drilling program and other work at Feysville, 14km south of the Super Pit, following on from the positive ground magnetic survey undertaken last year, it said.

"The second round aircore drilling program will involve further evaluation of the recently identified ethereal shear zone and other structures as the basis for targeting a subsequent reverse-circulation drilling campaign," the company's announcement said.

"Funds will also be used for further exploration at both the Koongie Park and Mandilla gold projects, as well as for general working capital purposes."

Anglo Australian also gained a \$100,000 grant through the WA Government's Exploration Incentive Scheme co-funded exploration drilling program in relation to the drilling of three deep holes at Feysville.

These funds now available to the company will enable it to complete significant exploration.

Separate announcements concerning the intended exploration



Anglo Australia Resources chairman John Jones checks the ground at the first initial drilling of the Feysville Gold Project. Picture: Laura Meachim

programs and other work would be announced shortly, the announcement said.

The company reported positive first aircore drilling results at Feysville a month ago.

Chairman John Jones last month said those results confirmed a major new gold-mineralised structure was present at

Feysville, complementing other previously discovered mineralised prospects at Rogan Josh and Dalray.

"In Feysville, we are sitting on an early-stage but world-class gold exploration target, located as it is just to the south of and along strike from the 70 million-ounce Golden Mile," Mr Jones said yesterday.

"These funds will allow us to continue our exploration efforts at Feysville, as well as apply much-warranted funds to the exploration of our Koongie Park and Mandilla gold projects, both exciting targets in their own right."

Anglo Australian Resources shares were up 0.1¢ yesterday at 2.2¢ each.

Southern locks in gold hedge with Sumitomo

■ Josh Chiat

Adelaide-based gold minnow Southern Gold has added \$4 million to its hedge book after locking in forward sales of 2500 ounces to Japanese resources giant Sumitomo.

Simon Mitchell's Southern Gold, which has a market capitalisation of about \$10 million, will deliver the ounces from its Cannon Gold Mine, 30km east of Kalgoorlie-Boulder, which it half-owns with toll treatment partner Westgold Resources.

The company says it has more than 2500 ounces of Cannon gold stockpiled, making the \$1621-an-ounce sale relatively low-risk.

Mr Mitchell said the hedge would shore up earnings projections for the 2017 financial year.

"It is prudent that the company locks in a portion of its future cash flow at current gold prices north of \$1600/oz and take some of the volatility out of projected earnings, especially given how material they are compared to Southern Gold's market capitalisation," he said.

"It is an excellent outcome for a company of our size and points to their (Sumitomo's) confidence in Southern Gold's immediate future."

Southern Gold shares fell by 1¢ to 27.5¢ yesterday.