

Optimism in the air as gold makes up lost ground



■ Nick Sas

It only takes a whiff and those in WA's small resources sector will say it smells.

But a slight scent of optimism is starting to blow through West Perth and those in the know say, anecdotally, a sliver of confidence is starting to return to the sector.

Some of the confidence stems from the recovering gold price, which was hovering around the

\$1600 an ounce mark late last week, while the copper price looks to have at least bottomed out.

Nickel and uranium prices, both of which continue to hover around historical lows, are another story.

But the real evidence comes

through the handful of capital raisings around last week, which local brokers say is becoming a little more common.

Albeit at a discount, Silver Lake managed to raise \$47.5 million through an underwritten placement. It hopes to raise a further \$15 million through a share

purchase plan and another \$1.2 million through a placement to directors.

At the smaller end of town a handful of companies wrapped up raisings, including uranium play Energia Minerals which

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took in \$500,000. Uranium and rare earths miner Tuc Resources pulled in \$1.4 million through a placement with a "cornerstone investor".

Some of the more surprising news came from Subiaco-based tiddler Castillo Copper which announced ambitious plans to raise \$3.5 million at 1¢ a share to help fund its project in Chile.

And though no plans have been set in place — meaning it is pure speculation — Perth-based gold play Middle Island Resources was on the record last week saying it would look to raise \$5 million in fresh capital to fund the restart of a gold mine in Niger.

It is nothing to write home about, but at least the mining houses in West Perth have turned the lights back on, albeit with the dimmer firmly in place.

No doubt it will be a talking point at the Association of Mining and Exploration Companies' conference, starting tomorrow.

■ Speaking of a little bit of confidence, Perth-based Talisman Mining last week announced it had discovered two big "Voisey's Bay-style" nickel copper targets at its Livingstone project, near Sandfire's DeGrussa mine.

The company shares ran from 14¢ up to 19¢ after the announcement to finish back at 16¢ on Friday.

A drilling program is expected in due course.