



Herald Sun
11-May-2011
Page: 28
Business News
Market: Melbourne
Circulation: 495000
Type: Capital City Daily
Size: 95.43 sq.cms
MTWTFS-

IN THE BLACK

with John Beveridge



THE cold gold companies offer much better value, with Lachlan Star earning a **speculative buy**.

A huge share register with more than 3.2 billion shares is being cleaned up with a 1-for-60 consolidation that will drag the stock out of its penny-dreadful status.

Unlike many small gold companies, its Compania Minera Dayton mine in Chile is producing about 45,000 ounces a year.

As a low-grade/high-tonnage mine, the more processing, the cheaper the gold.

And an 8 million tonne a year crushing plant is running at only a third of that capacity.

Resources already have risen to 1.4 million ounces with more to come and cash costs of US\$840 an ounce should fall.

Some of the hidden value in the company include significant tax losses and some drilling for copper and gold.

