

# Analysis by Regina Meani

Our regular analyst Regina Meani tracks the progress of two companies focused on gold: Catalpa Resources and YTC Resources.

## Catalpa Resources



Catalpa Resources has two major gold assets. In Western Australia the company holds a 100 per cent interest in the Edna May project, and in Queensland it has a 30 per cent stake in the Cracow project, with the remaining 70 per cent held by Newcrest Mining. With a combined mineral resource

of more than two million ounces and a combined ore reserve of more than one million ounces of gold, these operations provide exciting prospects for the company going forward.

The share price exhibits a volatile history: starting out around \$1.00, it quickly rose to its high in 2003 around \$3.80 where momentum peaked and a top formed with the price dropping rapidly until there was a momentum shift in 2005 when the price hit 48c. In reaction, the price rose quickly to encounter resistance at \$2.37 in early 2006 where it was rebuffed and swung down within a well defined downward path, until it reached a pivotal turning point at 21c in 2008.

Rallying and forming a reversal, the price broke the downward trend in early 2009 racing higher to stall and broaden the phase around \$1.20 before stretching towards \$1.95, triggering a pause that further extended the base to then push higher to reach \$2.27 late in 2010. The entire action forms part of a broadening base for the stock with the likelihood for more oscillations in the \$1.40-2.20 range ahead of breaking higher towards \$2.70 and \$3.00, and potentially towards the peak and beyond. A drop below \$1.20 may delay or endanger this process.

## YTC Resources



An active explorer for copper, gold and tin on a number of tenements in the Lachlan and New England Fold Belts of NSW, YTC Resources' main focuses are the Hera Gold Project and the Nymagee Joint Venture, which are located approximately 100 kilometres south-east of the mining town

of Cobar in central NSW and include the undeveloped Hera gold-base metal deposit, which is an advanced, high-grade gold deposit with base-metal credits capable of generating high margin production revenues.

Forming a top in 2007 between \$1.05 and \$1.45, the price rolled into decline in early 2008, accelerating through the year until the price found a triple turning point at 8c in November 2008 – February 2009. Reversing quickly, the first stage in the basing process was completed with the price breaking above 18c in May 2009. The price then headed in a volatile path higher to exhaust its upward momentum in the 30-35c range. This area remained a barrier until November last year, with the subsequent oscillations back to support in the 16-18c area serving to consolidate the base. The breakaway through 35c completed the phase and set higher objectives.

In reaching 73c in March this year, the price achieved its initial objective from the base and has paused and may continue to churn around 70c with support at 50c, ahead of its next move towards \$1.00 with the potential to test peak levels around \$1.50. The upswing would be threatened on a drop below 50c triggering a deeper setback towards support.