

EUREKA *report*



The Speculator

By David Haselhurst
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PORTFOLIO POINT: We celebrate passing the 200% mark by taking a profit on Robust Resources and switching into its undervalued erstwhile parent Trafford Resources.

Robust Resources (ROL) has been a most successful punt since we bought into the gold prospector at 15.5¢ in February. The share price of Robust Resources soared to a high of \$1.22 yesterday after it reported its best drilling results to date from its Romang Island Project in Indonesia.

Preliminary assay results include 53.5 metres at 5.62 grams per tonne (g/t) from 1.5 metres including 22 metres at 9.36 g/t equivalent from 3 metres. Managing director Gary Lewis says the results are "incredibly encouraging" and confirm "Lakuwahi Caldera as a world-class mineralising system".

The intersection is equivalent in gold content to a mineralised body of 10 metres thick at a grade of almost one troy ounce of gold per tonne. So far drilling has tested less than 1% of the target zone and we expect it will continue with great speed and enthusiasm.

This week we cashed in our Robust shareholding at yesterday's closing price of \$1.14 and took a smaller holding in its erstwhile parent, Trafford Resources (TRF). On sums I did on the weekend, Trafford appears to be markedly undervalued compared to the sharemarket values of its two major investments without accounting for any further value for its cash holdings or its other exploration projects.

At 33¢, Trafford's 68.4 million shares carry a market capitalisation of \$22.5 million. Yet its 20.62% holding in Robust Resources is valued at \$12.3 million on yesterday's closing price and its 50% interest in Ironclad Mining (IFE), at 72¢ a share, is worth \$14.4 million.

In shares alone that adds up to \$26.7 million without any value for a 20% free-carried interest in Ironclad's major projects, no value on other Trafford exploration interests and ignores some \$2.4 million in cash held by Trafford.

Ironclad Mining has also boomed this year, up from a low of 18¢ to a recent high of 79¢ on a continuing run of positive results from the company's Wilcherry Hill project in the Gawler Craton on South Australia's Eyre Peninsula.

This was acquired by Trafford from Aquila Resources Ltd in 2006 and injected into Ironclad. The project embraces four exploration licences covering 976 square kilometres, within which is a 60 million tonne iron ore

resource targeted to go into production in the third quarter of 2010.

Ironclad is earning an 80% interest in the project in which its parent, Trafford, retains a 20% free carried interest. It is estimated the project has exploration potential for as much as a billion tonnes of iron-rich magnetite readily upgradeable to about 70% iron content.

Such is the scale and potential of the iron ore project that geologist Ian Finch last month resigned from the chairmanship of Robust Resources to concentrate on his duties as managing director of Trafford and executive chairman of Ironclad.

nThe Speculator portfolio, as at December 8, 2009

Company	ASX	No of shares	Bought	Purchase price	Current price	Current value
Quickstep Holdings	QHL	5,000	16/03/09	\$0.165	\$0.555	\$2,775
Cortona Resources	CRC	30,000	14/04/09	\$0.150	\$0.150	\$4,500
CRC options ex. 20¢ by 31/01/2012	CRCO	5,000	10/12/09	Free	\$0.000	0
A1 Minerals	AAM	43,077	12/05/09	\$0.135	\$0.385	\$16,585
Gage Roads Brewing	GRB	40,000	26/05/09	\$0.050	\$0.150	\$6,000
Image Resources	IMA	16,000	2/06/09	\$0.654	\$0.760	\$12,160
Blue Energy	BUL	20,000	9/06/09	\$0.215	\$0.235	\$4,700
Scotgold Resources	SGZ	40,000	22/06/09	\$0.11 avge	\$0.135	\$5,400
Emmerson Resources	ERM	20,000	4/08/09	\$0.190	\$0.250	\$5,000
Golden Gate Petroleum	GGP	53,330	25/08/09	\$0.042	\$0.037	\$1,973
GGP options ex. 8¢ by 31/8/2012	GGPO	6,665	30/09/09	Free	\$0.018	\$119.97
Emu Nickel	EMU	30,000	8/09/09	\$0.145	\$0.195	\$5,850
Hill End Gold	HEG	20,000	15/09/09	\$0.230	\$0.230	\$4,600
Coppermoly	COY	40,000	22/09/09	\$0.065	\$0.135	\$5,400
Diatreme Resources	DRX	40,000	27/10/09	\$0.120	\$0.125	\$5,000
Viralytics	VLA	150,000	17/11/09	\$0.027	\$0.041	\$6,150
Trafford Resources	TRF	10,000	8/12/09	\$0.330	\$0.330	\$3,300
OBJ Limited	OBJ	200,000	8/12/09	\$0.027	\$0.025	\$5,000
Total value of portfolio						\$94,513
Plus cash at bank						\$34,988
Total						\$129,501
Portfolio change since January 2, 2009 (started with \$40,000)						+223.75%
All Ordinaries change since January 2, 2009 (then 3655.7)						+28.19%