

Good signs for Central Highlands as markets back gold

By Alex Hamer

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POURING IN: Ballarat Gold Project's owner LionGold has seen a drop in profit and revenue but a high gold price should see better results in the first quarter of 2016. PICTURE: Alex Hamer

A soaring gold price has seen investors move to smaller gold operators and bolstered planned and current operations in the Central Highlands.

The gold price has gone up over 15 per cent per cent since January 1, moving to over \$1700 an ounce, and analysis commissioned by Fairfax Media showed the ASX-listed gold sector's collective market capitalisation had increased by \$7.9 billion to \$26.6 billion in the past three months.

Ballarat Gold Project's owner LionGold released strong results for the previous quarter from before the recent price spike and exploratory work continues to be fruitful around Stawell and Ararat.

Melbourne Mining Club chairman Richard Morrow said it was a good time be in the gold sector.

"Gold is sensational at the moment," he said.

"The gold price the other day touched 1800 Australian (dollars) an ounce. It costs around \$1000 an ounce to mine gold... We've very rarely had opportunities as good as that."

Mr Morrow said explorations by Newmarket at Stawell would keep their mine going and that Navarre Minerals was making progress with geological studies south of the same town.

LionGold said in its most recent quarterly financial statement, for the period ending December 31, its profit had gone down as tunnelling continued under Ballarat.

"Mining costs have increased as more tunnelling works were carried out in 3Q2016 as compared to the preceding period," the report said.

Its total gold production in the last quarter of 2015 was 11,532 ounces.

Navarre managing director Geoff McDermott told the *Stawell Times-News* the company's exploration efforts at Irvine and

Benno were bearing fruit.

“Although still at an early stage with our investigations, we are excited by our exploration results to date as we progress our hunt for Victoria’s next gold deposits,” he said.

Mr Morrow said smaller miners would continue to be supported due to global market forces.

“The reason gold has had such a good run so far in ‘16 is the fear that the fed might have to reverse (its December interest rate increase).”



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