

# Archipelago Resources - A Quality Gold Project With Near-Term Production At Toka Tindung

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## Exhibiting at Master Investor 2010 - 24(th) April

Archipelago will be exhibiting at this year's Master Investor Show, held at the Business Design Centre in Islington, London on April 24, where it will join more than 100 quoted companies at an annual event which typically attracts over 2,000 high net worth private investors and industry professionals.

The Company, formed in 2002 and focused on gold and silver exploration and development in South East Asia, is listed on AIM but managed from Perth in Western Australia. It is developing its flagship 160,000 ounces/year Toka Tindung Gold Project in Sulawesi, Indonesia and exploring the Pac Lang Gold Project in Vietnam.

Toka Tindung was acquired from Aurora Gold in February 2002 at a time of depressed gold prices. It is situated about 200 metres above sea level at the northern tip of the island of Sulawesi. The project is 85% owned by Archipelago, but 100% of proceeds are receivable until all debt owed to Archipelago by the minority holders is repaid. Toka Tindung has a near surface resource of 1.7 million ounces of gold equivalent of which 1.1 million ounces will be mined by way of a series of open pits feeding a central processing plant.

Gold production is scheduled to commence by the end of 2010 with output of 140,000 ounces of gold equivalent forecast in the first year, and an average annual production rate of 160,000 ounces over an initial 6 year mine life. The Toka Tindung's 'cost to complete' is estimated to be around US\$70 million, which Archipelago will fund from current cash reserves of US\$40 million together with a proposed further equity raising supported by major shareholder Rajawali. The Company intends to remain both debt-free and with gold production unhedged.

No substantive exploration has been undertaken on the Toka Tindung Contract of Work (COW) area in the past decade, and the Company proposes to recommence exploration in the second half of 2010 with a view to finding replacement ounces necessary to maintain the mine life once production commences

In terms of infrastructure on site, there is an established base camp, together with an administration office, laboratory and workshop/warehouse. The processing plant is currently under construction and half built. Power will be provided by an onsite leased 15 MW power station producing 8MW of base load power output for the fully operational mine.

Archipelago's Vietnamese assets are the Pac Lang Gold Project located 130km north of Hanoi and the Cam Thuy - Ba Thuoc Gold Project located 105km south west of Hanoi. The 65% owned Pac Lang area has never been evaluated by modern exploration methods and thus Archipelago's work, which includes surface and underground surveys and sampling, is aimed at determining the extent of the large historic gold mineralised system. Archipelago's focus is to discover extensions or repetitions of this known mineralisation and a drilling programme will commence around mid-year. Cam Thuy-Ba Thuoc lies on a fault structure parallel to the Red River suture and is the centre of a lot of alluvial gold workings. Work will commence as soon as the Cam Thuy-Ba Thuoc exploration licence is approved.

Toka Tindung will have an average cash production cost of US\$425/ounce. Using a gold price of US\$1,000/ounce, the Company is forecasting a pre-tax NPV of US\$331 million and an annual pre-tax EBITDA averaging US\$90 million. The Company's broker is targeting a share price of 67p (Ambrian, January 10). This valuation ignores the excellent exploration potential inherent in the Toka Tindung Project COW as well as the Company's other projects.

Gold projects are one of the few assets currently in high demand, and with 1.7 million ounces of gold, together with a relatively low cash production cost, Archipelago offers an attractive gold investment.

Key Data	
EPIC	AR.
Share Price	42p
Issued Shares	493 million
Market Cap	£207 million
12 Month Range	9.75p - 45.75p
Net Cash	\$40 million
Market	AIM
Website	<a href="http://www.archipelagoresources.co.uk">www.archipelagoresources.co.uk</a>
Sector	Mining
Contact	Colin Loosemore, Managing Director   Tel: +61 (0)8 9364 8301

The organisers of Master Investor have held back a small number of complimentary tickets for company shareholders or other interested parties. To apply for tickets please email [michael.anderson@t1ps.com](mailto:michael.anderson@t1ps.com) or telephone 020 8099 0562.

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