



**Breakaway
Research**

March 2014

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Company Information

ASX Code	PLD
Share Price	A\$0.006
Ord Shares	407.3m
Options	120.3m
Market Cap A\$	A\$2.4m
Cash (Mar 2014)	A\$0.5m
Total Debt	A\$ -
Enterprise Value	A\$1.9m

Directors & Management

Non- Exec Chairman	Andrew Daley
Managing Director	Matthew Gauci
Non- Exec Director	Chris Bain

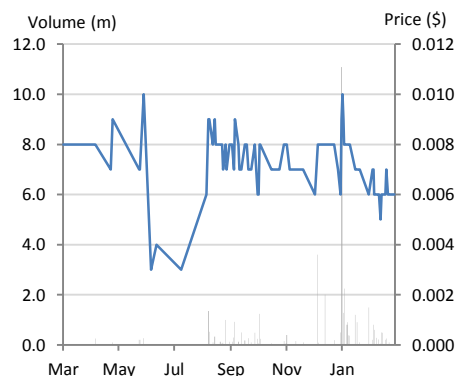
Substantial Share Holders

Ranchland Holdings	6.5%
David Paganin	5.5%
Bellarine Gold Pty Ltd	4.8%
CBM Superannuation A/C	4.5%
Top 20	55.6%

Company Details

Address	Level 9, 575 Bourke St Melbourne, Victoria, 3000
Phone	+613 9606 3888
Web	www.pldcorporation.com.au

1 Year Price Chart



PLD Corporation (PLD)

Upcoming drill campaign targeting Nova 'look-a-like'

Recommendation: Speculative BUY

Key Points

- **Favourable option agreements to acquire highly prospective Rocky Gully Ni-Cu project located within the Albany-Fraser Belt**
- **Desktop review identifies 8 priority and 2 high priority targets**
- **Historical drilling at M19 and M20 identified strongly anomalous nickel-copper zones in a setting considered directly analogous to the Nova-Bollinger deposit**
- **Upcoming drill campaign at M19 and M20 to test for nickel-copper sulphides at depth**
- **EV of A\$1.9M provides significant leverage to positive news flow**

PLD is an early stage nickel-copper exploration company with exposure to a highly prospective project located in the Albany-Fraser belt of WA. Shallow RAB drilling at two targets (of 36 identified) demonstrate a geological setting considered directly analogous to the 14.6Mt @ 2.2% Ni Nova-Bollinger discovery, also located within the Albany-Fraser Belt. Upcoming drilling provides opportunity for positive news flow and a substantial valuation re-rating.

Company Overview

PLD Corporation (ASX: PLD) has entered into binding option agreements for an exclusive 12 month period to acquire a 90% interest in the Rocky Gully Ni-Cu project (comprising 3 tenements), located in the southern corner of the Albany-Fraser Belt, WA, from ASX listed 'Heron Resources'. A further option agreement was signed with a private group for a 100% interest in a contiguous Exploration Licence Application (with both option agreements now covering four licences).

PLD has already made non-refundable payments totalling A\$80k to secure the option agreements and, should the Company elect to exercise, it will pay a further A\$280k (or 28.75M PLD shares issued @ A\$0.008) to Heron and 5M shares to the private group (@ A\$ 0.01). Heron will retain a 10% interest in 3 licences and a Net Smelter Royalty (NSR) of 1.5%.

The Rocky Gully Project hosts 10 'priority' Ni-Cu targets, however, the two of most significance are the 'M19' and 'M20' prospects. Historical shallow RAB drilling intersected strongly anomalous nickel-copper zones within lateritic horizons in a setting that is considered directly analogous to that of Sirius's Nova-Bollinger discovery. An upcoming RC drill campaign has been designed to test these highly prospective Ni-Cu targets, with first results expected before the end of June 14'.

PLD has a management team with extensive experience in exploration, development and mining, providing confidence of stringent exploration. With an EV of A\$1.9M, PLD is highly leveraged to any positive news flow.



Project Review

Rocky Gully

Nickel-Copper Exploration Project:

The Rocky Gully nickel-copper project is located ~85km north-west of Albany (southern WA) within the western part of the Albany Fraser Mobile Zone.

Geographic location of Rock Gully with major infrastructure

Rocky Gully located in under explored belt

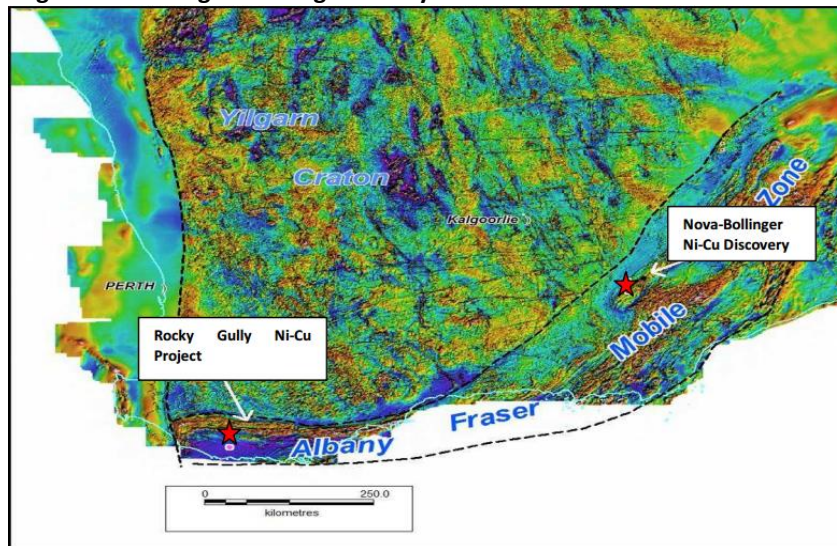


Source: Sirius Resources and Breakaway Research

The Albany-Fraser belt stretches over ~1,000km from Rocky Gully in the west to Tropicana in the east, along the south-east margin of the Yilgarn Craton.

Regional Aeromagnetic Image: Albany Fraser Mobile Belt

Renewed interest in the Belt following the discovery of the Tropicana and Nova-Bollinger deposits



Source: PLD Corporation

The Albany-Fraser belt is one of the most underexplored belts in WA, largely due to its relative remoteness, lack of mineralised outcrop (ore bodies tend to be concealed) and the perception that the highly metamorphosed rocks reduce the prospectivity. However, the discovery of the Tropicana-Havana gold deposit (118Mt @ 2.1g/t Au for 7.9Moz gold) and the Nova-Bollinger nickel gold deposit (14.6Mt @ 2.2% Ni and 0.9% Cu for 325kt of Ni and 134kt of copper) has renewed interest in the region.

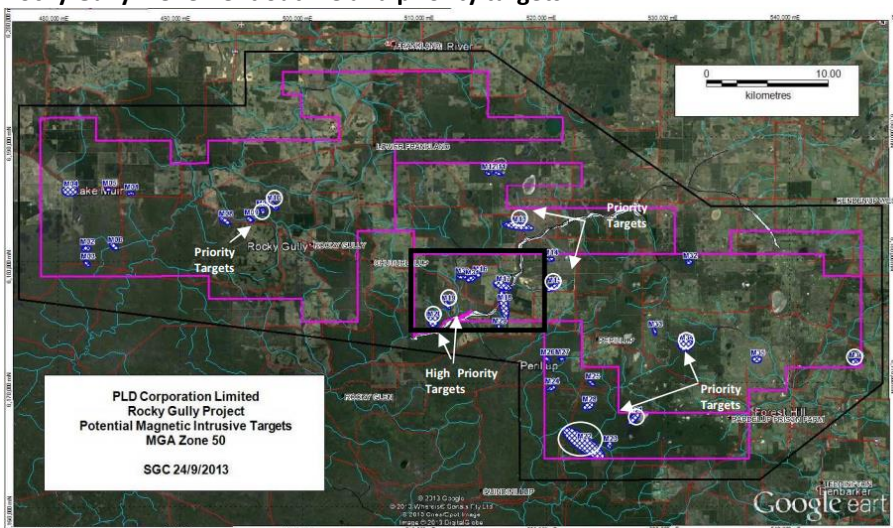


The Rocky Gully project incorporates four contiguous tenements (one granted and three under application) covering a total area of 1,200km², however, the project has been loosely split into three project areas:

- **Rock Gully Central** – 4 targets and 4 priority targets within 64km²
- **Rock Gully West** – 12 targets and 2 priority targets within 964km²
- **Rock Gully East** – 10 targets and 4 priority targets within 266km²

Rocky Gully: Tenement outline and priority targets

4 contiguous licences covering ~1,500km²



Source: PLD Corporation

Geology

Regional geology considered favourable for hosting Ni-Cu deposits

The project area is underlain by Proterozoic rocks of the Birunup Gneiss (1.8Ga). Late stage mafic (mafic: rich in magnesium and iron) and ultramafic intrusions have been identified in the area, which are favourable hosts for nickel-copper mineralisation.

Previous Exploration

Previous exploration was carried out by Heron Resources (ASX: HRR) in 2009 within 'Rocky Gully Central' project area (outlined by the black box in the above image) which included soil sampling and a shallow RAB reconnaissance drill campaign, primarily targeting the M19 and M20 prospects.

Drilling reached a maximum depth of ~60m and, encouragingly, intercepted several strongly anomalous nickel zones within lateritic horizons. Highlights include:

2009 RAB drilling highlights from 'Rocky Gully Central'

Historical drilling identifies highly anomalous nickel zones

Hole ID	Prospect	From (m)	To (m)	Intercept (m)	Nickel (%)	Copper (%)
RGR003	M19	12	16	4	0.57	0.03
RGR005	M19	8	16	8	0.58	0.06
RGR006	M19	8	16	8	0.59	0.04
RGR009	M19	24	28	4	0.55	0.07
RGR009	M19	32	36	4	0.46	0.04
RGR010	M19	16	20	4	0.51	0.04
RGR017	M20	16	20	4	0.50	0.0
RGR018	M20	8	20	12	0.62	0.07
RGR019	M20	12	16	4	0.55	0.02
RGR020	M20	8	16	8	0.75	0.04
RGR021	M20	8	20	12	0.71	0.03

Source: Heron Resources



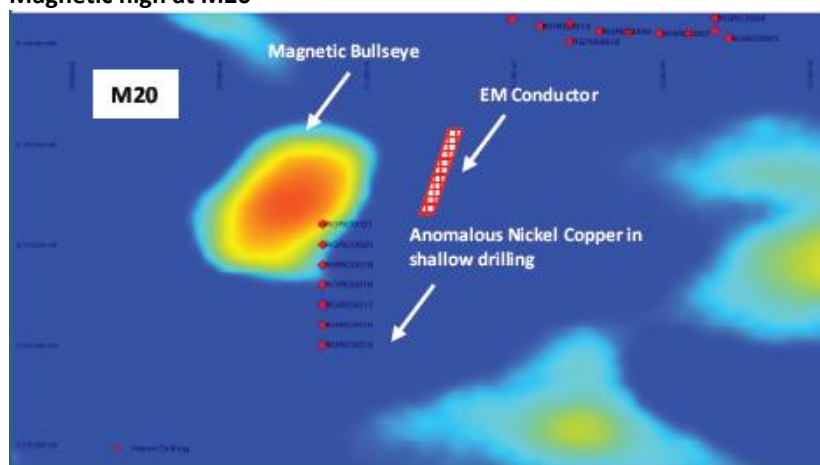
The M19 and M20 prospects

M19 and M20 prospects are the company focus

Although PLD Corporation has identified 36 targets (10 of which are 'priority') for follow up testing, the 'M19' and 'M20' prospects are the only ones to have been drill tested (albeit, only to a shallow depth) and are currently the Company's primary focus.

The 'M19' and 'M20' prospects are defined by discrete 'bulls-eye' magnetic highs within a subdued magnetic domain. No outcrops are evident, however the laterite appears locally iron-rich, which may be indicative of a deeper iron rich source rock.

Magnetic high at M20

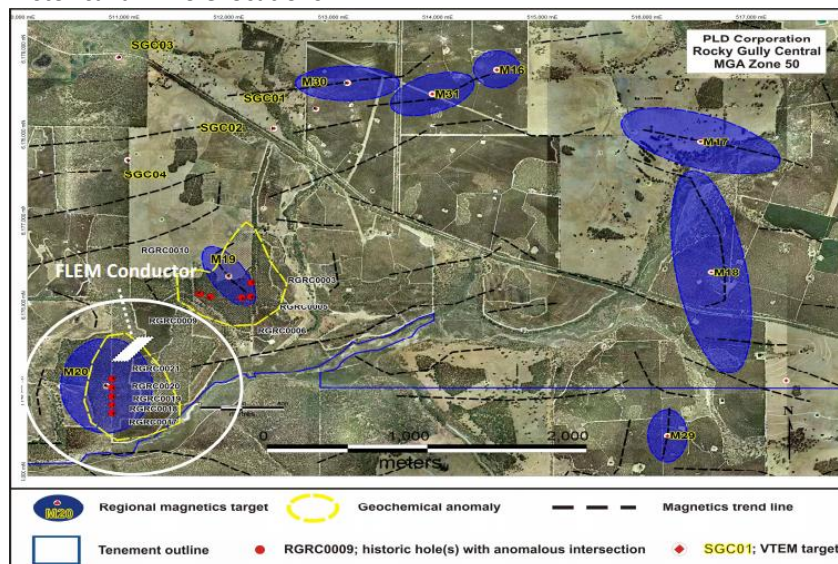


Source: PLD Corporation

M19 and M20 defined by 'bulls-eye' magnetic high

Highly anomalous nickel intersections have been intercepted at both prospects, however, Breakaway is particularly encouraged by the primary Ni-Cu enrichment identified at M20 with five intersections over a 600m north-south traverse, as illustrated in the image below:

Historical drill hole locations



Source: PLD Corporation

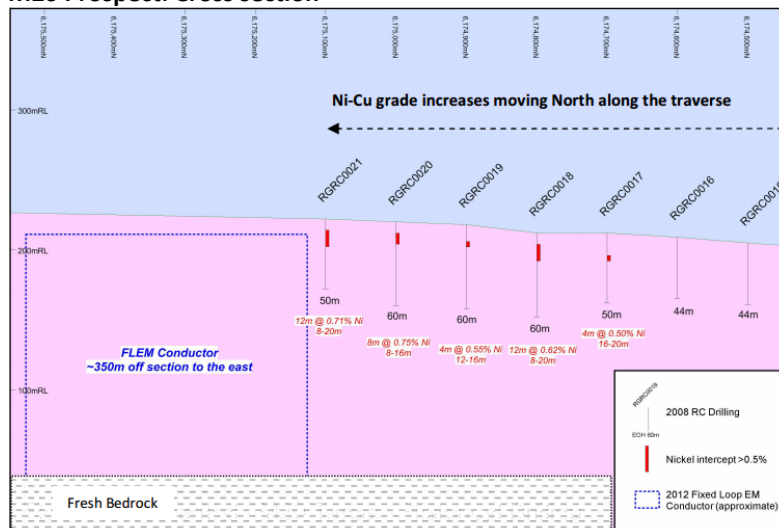
Shallow drilling at M20 intersects peak intersection of 12m @ 0.71% Ni

Anomalous nickel present at end of each hole

Anomalous Ni-Cu was present at the end of each of the drill holes. A peak intersection of **12m @ 0.71% Ni and 0.01% Cu** was recorded with the reported Ni-Cu grade increasing in each hole moving north along the traverse towards a recently identified EM conductor.



M20 Prospect: Cross section



Source: PLD Corporation

Nickel grade increasing towards newly identified EM conductor

Upcoming Exploration

RC drilling to test EM conductor and bedrock for primary (sulphide) mineralisation

PLD is now planning a 2,500m RC drill campaign targeting the M19 and M20 prospects which will seek to extend known areas of Ni-Cu mineralisation, test for primary nickel and copper mineralisation within the fresh bedrock, penetrate the EM anomaly and validate the interpretation of the magmatic fractionation processes as drivers for magmatic nickel-copper sulphide mineralisation (as is the case with the Nova-Bollinger deposit).

The Company will also continue to advance the additional 8 'priority' targets within the portfolio with soil sampling and EM Surveys which will be followed up with RAB and RC drilling campaigns as required.

Breakaway's View

Setting considered highly analogous to Nova-Bollinger discovery

It should be noted that the Nova nickel-copper regolith expression ('regolith' is the layer of unconsolidated material above the primary bedrock i.e. soil, broken rock etc) is characterised by laterite with 4-32m of consistently anomalous nickel, typically ranging in grade between 0.2% and 0.3% Ni. Sirius's peak laterite intercept was 52m at 0.61% Ni (and 0.06% Cu). Sirius later drilled the 190m 'discovery hole' into fresh bedrock, intersecting 4m @ 3.8% Ni and 1.42% Cu.

With the benefit of the Nova discovery, the highly anomalous grades intercepted by shallow RAB drilling at the M19 and M20 prospects combined with the adjacent EM anomaly, are particularly significant and highlight the potential for primary nickel mineralisation at depth.

Drilling to be completed before expiry of options

PLD has extended the expiry date of the Option Agreements to the 19th August 2014. This allows the Company time to complete the first round of drilling and to assess the results before it elects whether to exercise the option.

Highly leveraged to positive news flow

Although the focus is clearly on the M19 and M20 prospects, PLD has another 8 priority targets which also require follow up test work. The Company has a sound management track record (+100 years' experience in exploring, developing and mining nickel, copper and gold) and with an EV of just A\$1.9M is highly leveraged to any positive news flow.



Directors

Non-Executive Chairman

Andrew Daley

Andrew Daley (BSc Hons FAusIMM) is a Mining Engineer and Investment Banker. He has over 30 years' experience in resources having worked with Anglo American, Rio Tinto and Conoco Minerals and Fluor Australia in project evaluation and mining development. Mr Daley then moved into resource project finance with National Australia Bank, Chase Manhattan and from 1999 as a Director of the Mining Team at Barclays Capital in London. Mr Daley was also a Director of Investor Resources Finance Pty Limited ("IRF"), a company based in Melbourne which provided financial advisory services to the resources industry globally. Mr Daley is currently Non-Executive Chairman of KGL Resources Limited (ASX:KGL).

Managing Director

Matthew Gauci

Matthew Gauci has over 15 years' experience in the mining industry and has successfully financed and managed private and public mining exploration companies in Australia, Africa and South America. Mr Gauci has managed the exploration, development and feasibility of a number of mining exploration projects in commodities such as gold, uranium, coal, iron ore and industrial minerals. He has also consulted to companies operating in the technology and life sciences industries. Mr Gauci is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Company Directors (AICD). Mr Gauci has a BSc. and an MBA from the University of Western Australia.

Non-Executive Director

Chris Bain

Chris Bain (B App Sc and Dip GeoSc MAusIMM) is a geologist and mineral economist. He has over 30 years' experience in resources having worked in underground mine geology in Mt Isa and Tasmania and exploration around Broken Hill. Mr Bain has been instrumental in mining project divestitures and acquisitions, evaluations and valuations, capital raisings including several initial public offerings and ASX listings. Mr Bain was also a Director of Investor Resources Finance Pty Limited ("IRF"), a company based in Melbourne which provided financial advisory services to the resources industry globally. Mr Bain is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. Mr Bain is currently Non-Executive Director of KGL Resources (ASX:KGL).

**CV's taken from company website*



Analyst Verification

We, Grant Craighhead and Andrew McLeod, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

Disclosure

Breakaway Investment Group (AFSL 290093) may receive corporate advisory fees, consultancy fees and commissions on sale and purchase of the shares of PLD Corporation and may hold direct and indirect shares in the company. It has also received a commission on the preparation of this research note.

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