



Focus turns to mining stocks

As Australia welcomed in the new financial year, AMY DRY spoke to Perth-based resources commentator Tim Treadgold and analyst Peter Strachan about the best Goldfields mining stocks for those wanting to strike it rich in 2010-2011.

GALAXY RESOURCES

Focus: Industrial minerals and chemicals

Goldfields location: Ravensthorpe

Who: Iggy Tan (managing director)

Strachan: Lithium concentrate is in demand, not only for computer and mobile equipment but more and more to power electric cars.

Share price: 71.5c

GALAXY Resources was Ravensthorpe's shining ray of hope, following BHP Billiton's exit from the embattled shire.

Soon after the BHP nickel project was mothballed, Galaxy announced its intention to proceed with the development of the Mt Cattlin project in Ravensthorpe, incorporating a one million tpa mine and concentrator to produce spodumene and tantalum concentrate.

Galaxy is planning to commence the development and construction of the mineral processing plant later this year, with production scheduled for the third quarter of next year.

Lithium concentrate and lithium carbonate raw materials is used in batteries to power hybrid and electric cars, mobile phones and computers.

The plant is expected to produce 150,000 tonnes of spodumene and tanta-

lum concentrates over a 15-year mine life when it opens later this year

Late last month, managing director Iggy Tan said he stood by a prior commitment to hire a residential workforce for its emerging lithium mine – based in the heart of Ravensthorpe.

INTEGRA MINING

Focus: Gold

Goldfields location: Kambalda

Who: Chris Cairns (managing director)

Strachan: The company is sitting on a large inventory of good resources and is about to announce an upgrade in reserves.

Share price: 27c

INTEGRA is moving forward with plans to take a foothold in the Eastern Goldfields region as it works towards becoming a gold producer.

The Aldiss-Randalls project has a consolidated gold resource of 20 million tonnes for 1.8 million contained ounces.

Once the Randalls Gold Project opens next year, employees will be encouraged to reside in Kambalda and Kalgoorlie-Boulder.

The project, acquired from Solomon in 2005, comprises resources at Salt Creek, Maxwells and Cock-eyed Bob

and exploration prospects at Lucky Bay, Mohegan, Lady Eileen and Red Dale.

SILVER LAKE RESOURCES

Focus: Gold

Who: Les Davis (managing director)

Where: Mount Monger

Treadgold: Low-cost, high-grade gold mine.

Share price: 62.5c

LED by Kalgoorlie-based managing director Les Davis, Silver Lake Resources has been making waves in the region for all the right reasons.

The company operates the Mount Monger project, 50km east of Kalgoorlie-Boulder, after purchasing the asset from the struggling Perth-based Perilya in December 2007. Soon after, Silver Lake bought the nearby processing plant at Lake View.

Following refurbishment and installation of a gravity circuit, the first gold was poured last April and a new underground project at Christmas Flats is now under way.

Since its humble beginnings, the company now employs more than 70 full-time staff and contractors.



Kalgoorlie Miner

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INDEPENDENCE GROUP

Focus: Nickel, gold

Goldfields location: Kambalda

Who: Christopher Bonwick (managing director)

Treadgold: A joint venture partner in the rich Tropicana/Havana gold project.

Share price: \$4.07

UNDOUBTEDLY the news of the year belonged to Independence Group and 70 per cent joint venture partner AngloGold Ashanti in the Tropicana/Havana gold project.

The joint venture comprises leases covering 12,500sq km in a previously unrecognised gold belt, about 330km north-east of Kalgoorlie-Boulder.

Earlier this year, the partners announced a major resource upgrade of one million ounces to 5.01m ounces from 75.3 tonnes over a mine life of 10 years.

It is anticipated up to 700 people will be employed during the construction phase, while a further 400 will be needed once production gets under way.

Along with Mincor Resources, the Kambalda nickel miner Independence gave embattled investors a timely boost, declaring quarterly profits and cash inflows despite the price of the stainless steel metal trading at four-year lows.

MINCOR RESOURCES

Focus: Nickel

Who: David Moore (managing director)
Goldfields location: Kambalda

Treadgold: One of the few nickel miners to be doing well in difficult circumstances.

Share price: \$1.37

NICKEL miner Mincor Resources is going against the trend by continuing to post positive results, even against a weak metal price. In the past six months, about a dozen base metal miners around the region have cut back or closed down, but Mincor is remaining defiant.

Mincor was not immune to the plummeting metal prices – it reduced costs and suspended higher-cost operations at Kambalda – its overall production capacity was not affected

It was also one of few nickel miners to announce quarterly profits and cash inflows, despite the price of the stainless steel metal trading at new lows.

Earlier this year, shares in the Perth-based company rose a massive 21.5c or 20.4 per cent, to \$1.27 after an “outstanding” sulphide intersection was discovered below the company’s Mariners nickel mine near Kambalda.

PANORAMIC RESOURCES

Focus: Nickel

Goldfields location: Kambalda

Who: Peter Harold (managing director)

Strachan: The company has had a big upgrade in its nickel resource.

Share price: \$2.09

NICKEL Miner Panoramic Resources took a foothold on the Lanfranchi project in the Goldfields after purchasing Brilliant Mining’s 25 per cent stake in the mine, 42km south of Kambalda, earlier this year.

The company, formerly known as Sally Malay Mining, sealed the deal last month by buying the Canadian compa-

ny’s Australian subsidiary Donegal Resources.

The move was in line with plans by Panoramic to become the country’s major nickel sulphide miner.

The company’s mines in the Goldfields and the Kimberley are expected to produce up to 18,000 tonnes of nickel, 30 per cent more than the previous year. In the meantime, Panoramic says it is on the lookout for further takeover opportunities in nickel, copper, gold, precious metals, lead and zinc.



Chris Bonwick