



ConsMin iron ore play rocks



It's not as if Pallinghurst Resources boss Brian Gilbertson needed another reason for Consolidated Minerals shareholders to demand he sweeten his \$2.28 a share partial takeover offer for the WA manganese and nickel miner.

With nickel prices flying, manganese on the rise and chatter growing about a rival bid, ConsMin shares have consistently traded above \$2.50 for weeks, leaving the Pallinghurst offer looking increasingly anaemic.

But ConsMin iron ore offshoot BC Iron last week gave investors more reason to expect better, when it handed down the first drilling results from its Nullagine project, 150km north of Newman in the Pilbara.

BCI was formed last year to combine a swag of Pilbara exploration leases held by ConsMin and Alkane Exploration, which hold 27.8 per cent 17 per cent of BCI respectively.

The tenements cover 1500sqkm prospective for Yandi-style channel iron deposits, most notably at the Bonnie Creek area, about 50km north of Fortescue Metals' Christmas Creek deposits, where BCI is targeting a paleochannel with the potential to host between 200 million and 600 million tonnes of pisolite iron mineralisation.

BCI started drilling the first holes in a 10,000m RC program three weeks ago and the first batch of results sent investors into a frenzy.

Results from the first 24 holes at the Outcamp prospect intersected channel iron over a 3.5km strike length, and indicated the mineralisation was at least 8m thick on average, but up to 13m thick. The results included a number of hits grading better than 58 per cent iron with low levels of contaminants, comparable to ore from the Yandi and Yandicoogina mines.

The best hit measured 7m grading

59.2 per cent iron from surface, but after calcination the iron content was boosted to 66.9 per cent.

Given that another 140 holes are planned at Bonnie Creek and the nearby Shaw River prospects, where BCI has already identified 90km of prospective channel iron occurrences, the company's confidence in the project's potential to host a major orebody is growing by the minute.

That confidence has flowed through to investors who sent the stock rocketing on the news. Despite falling 10¢ on Friday, the stock ended the week at \$1.45 for a 75 per cent gain over five days.

That has translated into a huge paper windfall for ConsMin and Alkane since BCI raised \$6m at 25¢ in November, with the value of ConsMin's stake jumping from less than \$4 million to over \$21 million in six months.

While that may be immaterial to Pallinghurst's \$320 million offer for 60 per cent of ConsMin, it is typical of the surge in value of virtually all of ConsMin's assets since it began talking to Pallinghurst in October.

- While any number of mining floats in recent months have talked up their ties to China's boom, few can claim the sort of pedigree enjoyed by Perth tin debutant YTC Resources.

YTC is set to hit the boards on Tuesday after raising \$3.5 million at 25¢ a share and is focused on a number of historic tin-mining areas in the New England Fold Belt north of Orange in NSW.

What sets YTC apart is that it is possibly the only Australian junior to have attracted the backing of a major Chinese conglomerate pre-float, with the world's biggest tin miner, Yunnan Tin Company, taking a 33 per cent stake ahead of the public offer.

So confident in the venture is Yun-

nan that it was prepared to share its name with the explorer, its chairman Jianming Xiao will also chair YTC, its vice-chairman, Wenxiang Gao, is a non-executive director and Yunnan's leading geologist, Xiang Tong, is one of YTC's senior managers.

Veteran commercial lawyer Robin Chambers, one of Australia's most experienced China experts and a long time adviser to major Chinese groups such as Sinosteel and CITIC, also holds a non-executive board role.

Mr Chambers said Yunnan was determined to build a major presence in Australia, and saw YTC as a key vehicle to attain that objective.

"They are very ambitious so this is very much a first step," he said, adding that their support for YTC was "very symbolic".

YTC's prime tin target is the Torrington project near Glen Innes, which produced over 100,000 tonnes of tin concentrate over 70 years up until the late 1950s.

YTC is also planning to drill a high-tenor copper-gold-molybdenum target at Kadungle, between Newcrest's Cadia Hill and Rio Tinto's Northparkes mines by the end of the month.

- Ampella Mining is the latest Perth explorer to set its sights on the wilds of Africa as it finalises a \$5 million public offer pitched at 20¢ a share.

Ampella is targeting the untapped wealth of Burkina Faso, a former French colonial outpost north of Ghana, where it has picked up a suite of zinc and gold prospects at Doulina.

Ampella is headed by Richard Burden and Africa veteran Peter Williams, while Burkina Faso-based miner Dr Morou Francois Ouedraogo heads the company's African office. Well-known Perth publicist Jan Hope is also on the Ampella board.



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Brian Gilbertson: Low bid

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