

AFR WEEKEND

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\$3.30 incl GST 667

for juniors

He says he has taken a shine to the specialty metals space, and tungsten in particular, because there is less competition than in other mineral sectors and the presence of strategic investors means the forms of project funding available are more diverse than traditional debt and equity arrangements.

Cudeco wants premium

Here's one to watch: the \$85 million rights issue that copper explorer Cudeco has launched and is pricing at \$2.50 a share.

As of Friday, the stock was trading at \$1.885 (after an unexplained 8 per cent jump) so it's reasonably safe to assume that Chicago-based AM Capital will end up with a big chunk of shares after agreeing to underwrite the issue to the tune of \$50 million.

It is not clear whether Cudeco has resorted to the issue as back-up for a \$US100 million debt facility from China Minsheng Banking Corporation, which was supposed to be the final piece of funding for the company's Rocklands copper project, near Cloncurry in Queensland.

The facility was announced on October 18 and was to be finalised within 14 days. But the rights issue prospectus shows that it is still subject to final approval by Minsheng and the completion of documentation.

The initial drawdown will also be subject to the company implementing a number of commercial arrangements to protect the bank's interest in the project.

Sounds like a lot of provisos still.

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20 kilometres from the coast and 85 kilometres by sealed road to the deepwater port of Monrovia.

Earlier this month Tawana commissioned Tenova Australia to complete a scoping study on the project. It anticipates announcing a maiden resource in the March quarter next year.

An exploration target of more than 500 million tonnes has been set and the expectation is that the coarse itabirite ore will be easily upgradeable to 60-65 per cent iron content.

While some might shudder at the thought of investing in Liberia, which has a history of violent civil war, Richards says the country has moved on and is open for business.

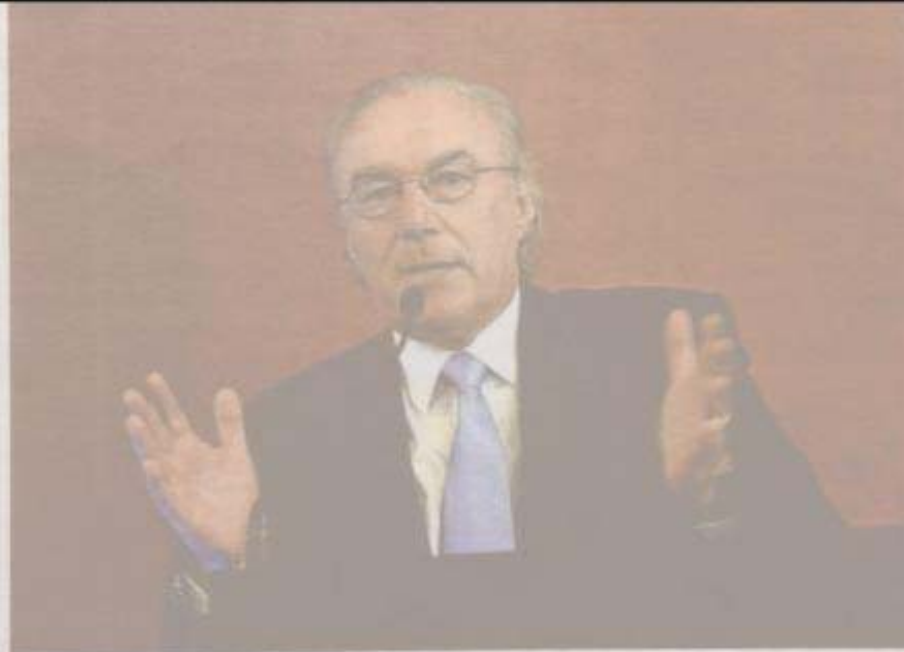
The fact that big steel and iron ore industry players such as Vedanta, ArcelorMittal, Severstal and China Union are pursuing projects there suggests this is not an exaggeration.

Twice around in tungsten

Perth geologist turned company promoter Adrian Byass has a soft spot for specialty metals, those non-exchange traded commodities typically used in niche industrial applications.

With his business partner, Jonathan Downes, he transformed Hibernia Gold into molybdenum play Moly Mines in 2005 and floated the tungsten and tin success story Wolf Minerals in 2007.

After stepping down from the Wolf board in June, he has turned his hand



Wayne McCrae, chairman of copper explorer Cudeco. PHOTO: TAMARA VONINSKI

to developing another tungsten and tin project through another of his companies, Plymouth Minerals.

Plymouth listed in April, 2011 on the back of a promising rare earths project in Greenland. When that didn't produce the goods, it assessed other assets and took options over some but never followed through.

In June, Byass enlisted a graduate geologist to scour London's Alternative Investment Market for projects that companies couldn't give appropriate attention because of the dire state of the market.

The Morile tungsten and tin project in Spain owned by Aurum Mining fit

his criteria perfectly. Last month Plymouth negotiated to pay €300,000 (\$439,000) in cash and shares to acquire an 80 per cent interest with the option to move to 100 per cent.

Byass is excited by the fact that Morile is a brownfields opportunity with the potential to reach production in the near term and believes it is the right size to transform Plymouth from a microcap into a mid-tier company.

Although there is drilling to be done to deliver a Joint Ore Reserves Committee-compliant resource and studies to complete to prove its viability, he believes it could be in operation by 2015.