

Ten Bagger, Friday 27th June

Bryah Basin hills are alive with the sounds of...whirring



Yes folks, it's rigs a few hundred paces in the WA district of Doolgunna, which is home to Sandfire Resources' (ASX: SFR) world-class DeGrussa copper-gold project and also houses the hopes of many more.

The drill bit is turning at Talisman Mining's (ASX: TLM) Homer prospect, courtesy of Sandfire, which is farming into Talisman's ground in the hope of the unearthing a DeGrussa repeat.

And in an act of coincidental timing which could become the stuff of mining folklore, RNI (ASX: RNI), run by former Sandfire chairman Miles Kennedy, has just started turning the bit down the road at its Forrest copper-gold find.

Sandfire has started a deep diamond drill hole to test a significant EM conductor identified 400m below the surface.

The conductor is interpreted to sit within the extension of the prospective DeGrussa stratigraphic horizon and is located approximately 5km east of the DeGrussa Copper-Gold Mine.

A single diamond drill hole has now commenced with the aim of intersecting the modelled conductor at a target depth of 400m below surface.

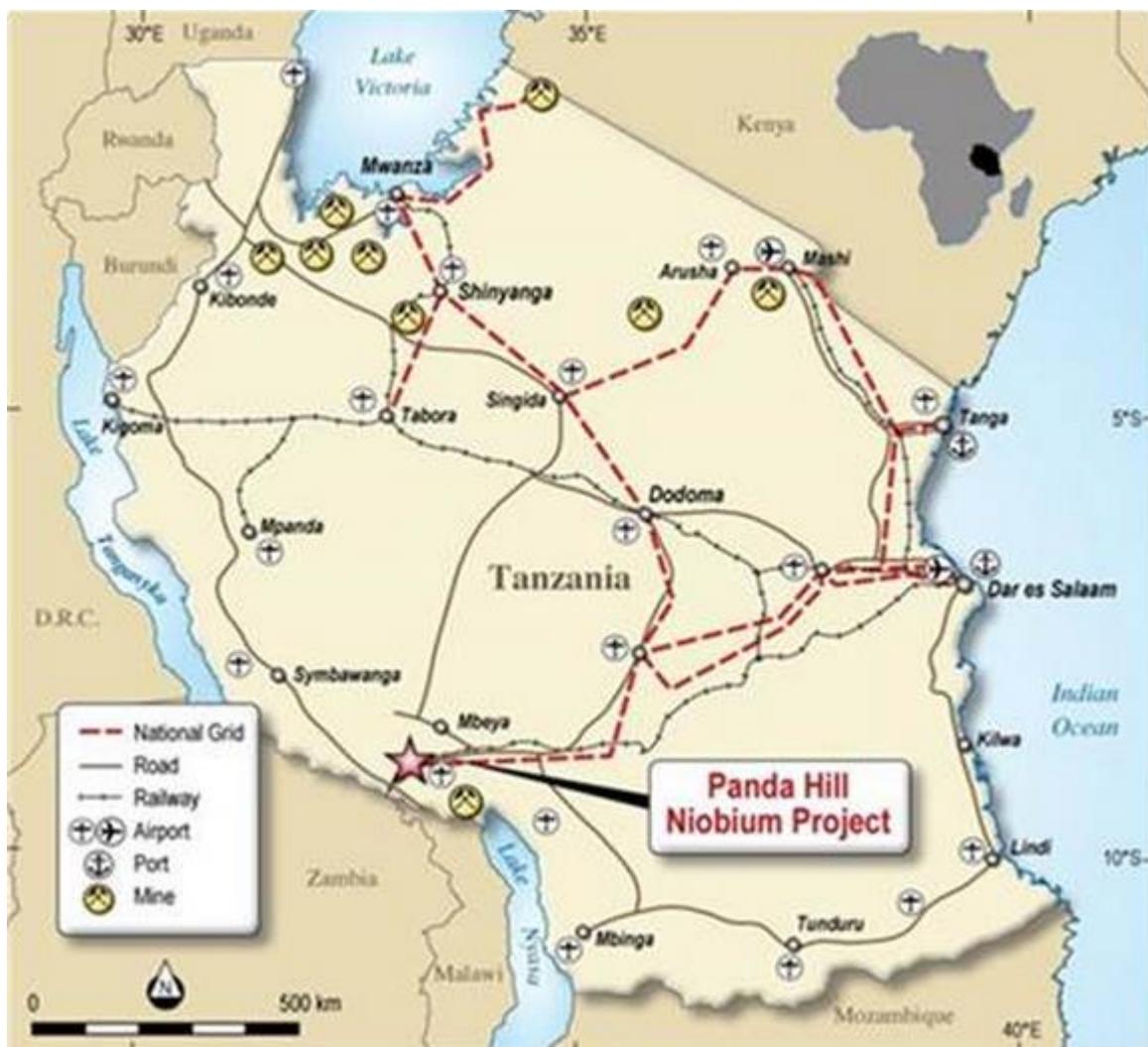
As well as testing the modelled conductor, this drill hole will also be used by Sandfire to establish a platform for further down-hole EM to test for additional conductors both at depth and away from this principal EM target.

Meanwhile, RNI will drill five holes to follow up highly encouraging results from the first diamond drill hole, which intersected a significant zone of oxide-transitional copper-gold mineralisation of 9.1m at 5.27% copper, 2gpt gold and 8.35gpt silver from 142.95m.

The prospect of finding another DeGrussa has lured many since Sandfire made its lucrative discovery in 2009. And while the work has turned up more than enough encouragement for explorers to keep going back, the second big one remains elusive.

Sources say it should be only a week or so before we know whether these latest attempts to crack the Bryah code have been successful.

Cradle leaves the share market grave with US\$20m funding deal for niobium project



Cradle Resources (ASX: CXX) has taken another key step in its strategy to become a substantial producer of the valuable steel hardening ingredient niobium, with Tremont

Investments handing over the first US\$5 million as part of its US\$20 million project farm-in deal.

Tremont has agreed to spend up to US\$20 million to earn as much as 50 per cent of Cradle's Panda Hill niobium project in Tanzania.

The funds will be spent on the pre-feasibility study now underway, and then the definitive feasibility study, as part of Cradle's plan to bring Panda Hill into production in 2016. This would make it the first new niobium producer for almost 40 years.

Cradle considers its agreement with Tremont to be extremely attractive, not just due to the funding provided, but because of its links to Pangea Exploration. Pangea, which advises Tremont, is led by highly influential African mining identity Rob Still.

"Over the last 25 years, Pangea's team of technical and commercial experts have developed in excess of 16 projects in southern and eastern Africa at various stages of project de-risking from exploration through to development and operations in a variety of commodities including gold, vanadium, copper, titanium and coal," Cradle said.

In 2011, Tremont raised US\$200 million from resources private equity firm Denham Capital, with the money to be invested in a wide range of African projects.

Cradle also revealed this week that it had raised \$3.6 million through a share placement at 20c. The proceeds will be used to pay creditors and for working capital.

The funding arrangements paved the way for Cradle shares to resume trading this week, ending a three-month suspension.

Cradle boasts some interesting names on its share register, including mining heavyweight Ian Middlemas with 10 per cent, highly successful mining investor Craig Burton with 19 per cent and former AngloGold Ashanti executive Grant Davey as MD with a 12 per cent stake.

"We believe that the Panda Hill project could in time become an important supplier of niobium to the global steel industry, thereby providing the required supply diversity to further deepen the growing use of, and demand for, this important alloy metal," Mr Still said.

Broker Paterson labelled the Tremont arrangement an "attractive deal", putting a speculative buy recommendation on the stock with a price target of 39c-61c (currently 18c).

"The deal provides a clear path to de-risk the project and potentially provides sufficient funding to reach a decision to mine," Paterson said in its research note this week.

"It also brings with it a highly successful African mining partner to assist in the project's development. We understand that Tremont conducted an extensive due diligence process on the project prior to the deal, which we believe is a further tick of approval."