

MinRes has whip hand

Spinifex



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The battle has been won but the war is not over yet.

Four months after Mineral Resources launched a friendly scrip takeover bid for Polaris Metals, it has finally secured a majority stake in the WA iron ore junior.

As of Friday night MinRes' stake in Polaris had jumped from 46.3 per cent to 51.3 per cent, giving the Chris Ellison-controlled mining contractor the whip hand in determining the iron ore junior's future.

It remains unclear what rival suitor Lion-Asia Resources will do now. Its bid has a 50.1 per cent minimum acceptance condition, although that excludes a 19.9 per cent Polaris stake once owned by Heron Resources and now part of MinRes' shareholding.

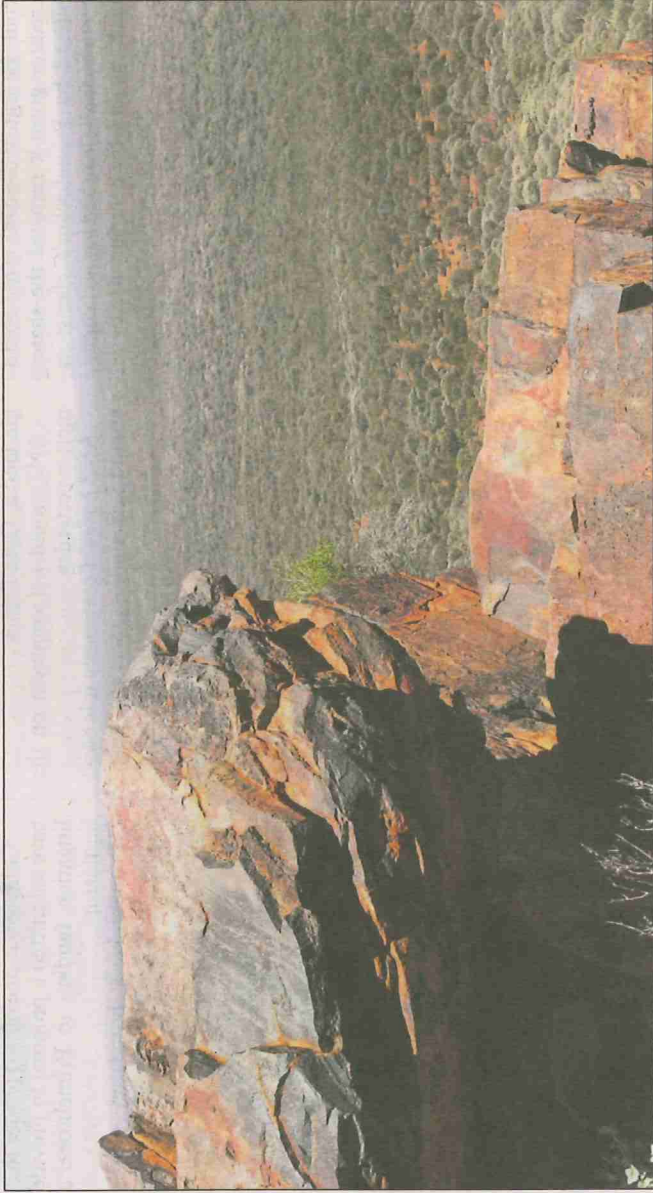
In other words, Lion-Asia is aiming for a minimum of 40.1 per cent of Polaris, something that remains achievable despite MinRes' majority rule. Lion-Asia also controls a swag of Polaris options.

The battle for Polaris, whose main claim is advanced iron ore exploration assets in the Yilgarn and near Port Hedland, may yet drag on if the unrelated takeover race for Dioro Resources is anything to go by.

In Dioro's case, suitor Ramelius Resources is keeping its bid open in the hope of adding to its 33.8 per cent shareholding, despite rival bidder Avoca Resources sitting there with a 44.8 per cent block.

Not that that should worry Polaris' remaining shareholders.

When MinRes first struck its friendly deal, Polaris shares were worth 30¢. Four months of increased offers and takeover tussles later, in a



On the horizon: A view across Jupiter Mines' Yilgarn tenements. Jupiter looms as the obvious consolidator in the region.

more buoyant sharemarket environment, Polaris is worth 76¢.

● Another iron ore junior hoping to attract some attention is Mindax, which plans to begin drilling its Mt Forrest project 150km north-west of Menzies tomorrow.

It's been a tortuous journey for Mindax through the approvals process but now the 14-hole program can start, overseen by new recruit John Vinar who has joined as general manager of the Mt Forrest project.

Mindax has talked about conceptual targets of 100 million tonnes of direct-shipping ore to underpin a sizeable operation and justify the necessary infrastructure, although any sizeable success with this drilling program is likely to raise talk of consolidation in the Yilgarn region.

The Brian Gilbertson-controlled and Geoff Wedlock-chaired Jupiter

Mines looms as the obvious consolidator in the Yilgarn, which in Cliffs is home to Australia's fourth-biggest iron ore producer.

Mindax's iron ore may be the immediate focus of investors, but let's not forget about the junior's encouraging first-up uranium hits in the Wheatbelt two months ago.

● White Canyon Uranium is among the Perth-based yellowcake brigade, although it differs from the rest on two important fronts: its focus is the US, and it has begun production at its Daneros mine in Utah.

Last week's first-production news triggered the desired spike in White Canyon's share price from 26.5¢ to Friday's 31¢ close. It also triggered interest from brokers Cunningham Peterson Sharbanee Securities to agree to underwrite the exercise of White Canyon's listed options, expiry

date of January 29 and strike price 25¢.

The underwriting agreement guarantees White Canyon \$22.9 million in gross proceeds, which the Peter Batten-run junior wants to spend on further exploration and development of other uranium prospects.

● True to his word, Troy Resources' biggest shareholder and agitator John Jones has stumped up \$1.5 million to take up his entitlements in the gold producer's one-for-six rights issue.

Not only that, but Mr Jones has picked up \$224,982 worth of stock as part of an underwriting agreement.

His investment protects Mr Jones' 13.8 per cent stake in Troy and ensures he will remain an influential force in shaping the miner's future, even if it is to the chagrin of chairman John Dow.

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