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WA GOLDFIELDS

Steady up the mountain for Mindax

Mindax Ltd has bided its time on its Mt Forrest iron ore project in the Central Yilgarn iron province.

The company had been eyeing off the property since 2007. However before it could sink its teeth into Mt Forrest it was confronted with heritage issues, which were eventually resolved last year.

Therefore it has taken almost three years for the company to announce a maiden inferred resource that stands at 387mt @ 31.4% iron and a conceptual target of 2.5bt magnetite and 105mt DSO @ 54-58% iron.

"It has taken a long time to get to the drilling point," managing director Greg Bromley told **Paydirt**.

However the time taken to sift through the heritage issues allowed the company to undertake extensive surface work. Bromley said the area was remapped to a scale of 1:100,000, which paid dividends during drilling.

"The advantage with this was that we could drill spots surgically, whereas if we were able to go in straightaway and drill we may have found ourselves mooching around."

Last month the company was amid a 9,000m drilling campaign initially focusing on testing the deposits at depth then producing a resource.

One prospect the company has focused on extending its drilling at is Toucan, where an inferred resource of 1.2mt DSO @ 54.8% iron has been established.

Bromley was encouraged by the current DSO resource base derived from 1,000m of drilling from 16 holes.

"We estimate that we should be in a position where we can put up a substantial resource around September and if all things pan out we'll be looking at moving into initial feasibility work."

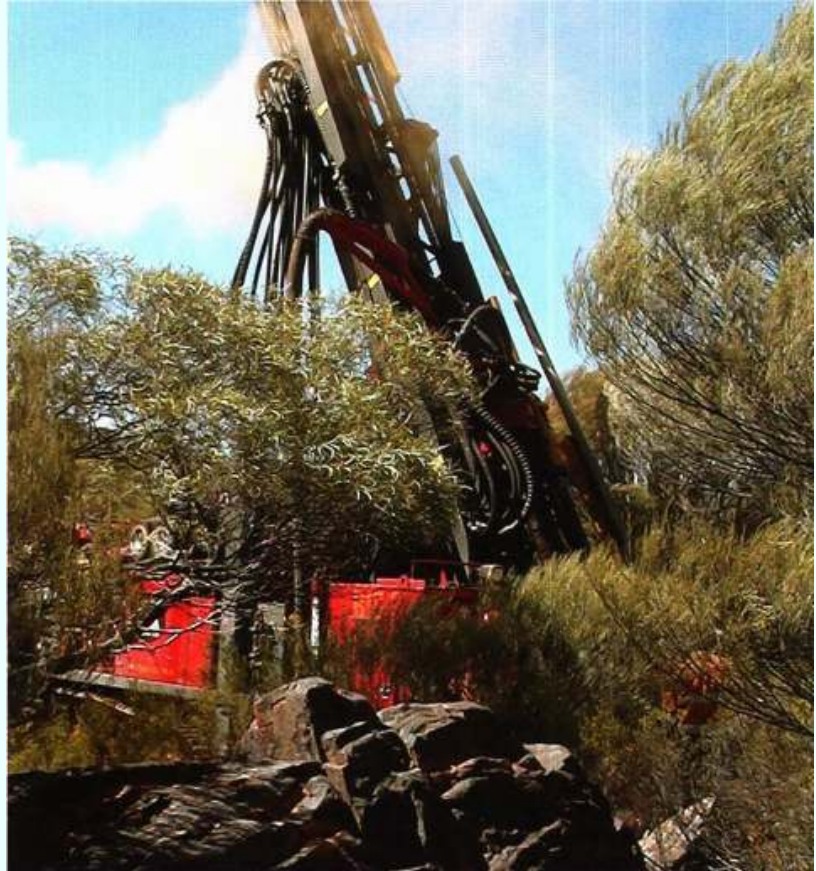
The priority for the company is the DSO material and a resource as little as 10mt would be enough to justify investing in infrastructure. To get the product to Esperance Port a 150km railway line from Mt Forrest tending south to the circuit at Menzies would be required, in addition to upgrading the existing line.

"There is the building of it (railway line) then the upgrading of the existing railway but we're not the only people that want to upgrade that railway. I wouldn't say I'm confident (of the surrounding companies working together) but I would say it is logical."

Other projects in the Mt Forrest area include Cliffs Natural Resources' 10mt DSO project at Mt Richardson and its 150mt DSO operation (8 mtpa) at Koolyanobbing, Cashmere Iron Ltd's 1bt hematite and magnetite project plus Jupiter Mines Ltd's 1.2bt magnetite and 5mt DSO project.

The projects occupying the same space as Mt Forrest suggest there is obvious potential for Mindax and with \$6 million cash the company is confident it can capitalise.

The company will need to raise more money in the future, an exercise made easier by hav-



Drill rig at the Cassowary prospect at Mt Forrest. This is typical terrain for Mindax

ing a resource established, Bromley said.

Being careful not to look too far ahead Bromley indicated any capital raisings would be done through its wholly owned subsidiary Yilgiron Pty Ltd.

Yilgiron would also be the way forward for any potential JV partners. A potential spin-off company would be an attractive proposition to shareholders who would ultimately become a part of the foundation, Bromley said.

"If we are successful and able to establish a resource to something that has got economic potential then there are a number of things available to us. Any capital input beyond resource stage or any JV partners will be brought in through that company. As you would appreciate there are Chinese companies all over the place and at one stage they were all banging at the door."

Bromley said the market, which is fundamentally Chinese, and money available would dictate whether the company would need to seek a JV partner.

Along with a projected cash injection, a work force of about 350 people would be needed to make the Mt Forrest operation successful.

The project is being billed as a straightfor-

ward DSO operation and Bromley believed the expertise, either sourced locally or internationally, would be easy to access.

Being a relatively simple operation Mindax is now striving to have Mt Forrest into production "pretty fast".

The company also has interests in copper, gold and a uranium project in the Wheatbelt of Western Australia with Quasar Resources Ltd. The company identified the Jindarra area last year where **YAA0184** intersected 1m @ 1690 ppm uranium equivalent 0.20% from 37-38m and **YAA0188** 3m @ 1243 ppm uranium equivalent 0.15% from 38-41m.

Bromley recognised that it has been a slow start for Mindax since listing in 2004. Despite its market cap fluctuating between \$10 million and \$65 million the company's share price remains solid and was trading at 47c at time of print.

"It's been slow. The market gets enthusiastic about the bolters and we're certainly not a bolter. We've got there by hard work and we're certainly not unhappy with where we are at."

- Mark Andrews