

Yilgarn iron ore puts Transit spin-off on the Radar



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Transit Holdings is in transit.

Having floated in late 2006 on the back of iron ore exploration assets in the Yilgarn, Richard Monte's company two years later bought a phosphate opportunity in the US — long before BHP Billiton's \$US40 billion pursuit of the key fertiliser turned the mineral into a hot topic.

But Transit's Paradox Basin phosphate dream remains in limbo as bureaucratic inaction in Washington delays approvals for the company to drill its Utah prospects.

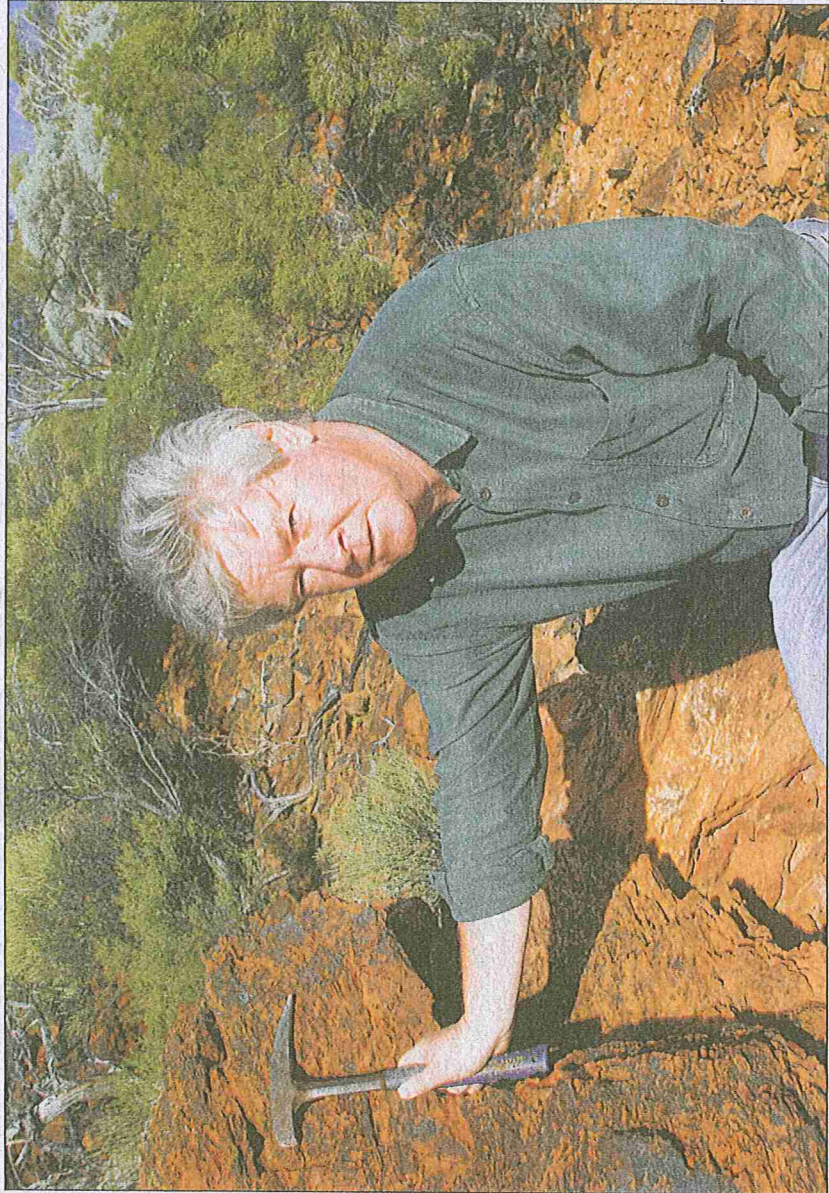
Enter Transit subsidiary Radar Iron. An imminent spin-off from the Transit mothership will give the iron ore unit's boss, former Polaris Metals executive director Jonathan Lea, licence to advance the Yilgarn assets unencumbered.

Lea knows the Yilgarn well, having been one of the drivers of Polaris until Chris Ellison's Mineral Resources took over Polaris late last year.

Polaris' key asset was iron ore in the Yilgarn, which unlike the Mid-West and Pilbara, has better access to infrastructure.

Radar's primary focus is its Johnston Range project, to the north of Cliffs Resources' mines and surrounded by mines owned by others such as MinRes-Polaris, Jupiter Mines, Mindax and Cashmere Iron.

Radar believes its tenements,



Project magnetite: Mindax's Greg Bromley plans more drilling to define the inferred-only resource.

which contain 35km of banded iron formations, are highly prospective for hematite and magnetite ores. A drilling program is due to start before Christmas to confirm some of the early-stage 2008 work, which highlighted solid iron grades with low levels of silica, alumina and phosphorous.

Transit only has about \$4 million in cash although the Radar spin-off could be accompanied by a capital

raising, unless the company plans to wait until it has some positive exploration news before hitting up investors.

Transit's share price has almost doubled since July and on Friday closed at 21.5¢.

Finding iron ore in the Yilgarn, of course, is not a challenge. Finding a route to market, even with more-accessible infrastructure than elsewhere in WA, is.

Cliffs isn't noted for allowing access to its haul roads, which connect the Yilgarn to the Perth-Kalgoorlie-Esperance rail link.

MinRes, on the other hand, is expected to build its own haul roads to ensure the former Polaris assets can be developed quickly. If an infrastructure sharing deal can be reached, that could also pave the way for Radar to fast track its move into hematite production.

- Mindax, whose boss Greg Bromley also chairs the fledgling Yilgarn Iron Producers Association, last week trumpeted a maiden billion-tonne resource of potentially beneficiable magnetite at his Mt Forrest project.

The direct-shipping component, grading 54.3 per cent, remains a modest 4.5 million tonnes.

Mindax is planning more drilling from this month in an attempt to define the inferred-only resource.

The good results to date will not have gone unnoticed at Brian Gilbertson's Jupiter, one of Mindax's biggest shareholders.

Jupiter told investors last week it was aiming for a 400 million tonne resource at its own Mt Ida project by Christmas.

Gilbertson wants to build a sizeable business supplying iron ore (Yilgarn) and manganese (Tshipi, South Africa) to steel mills and has already hinted at driving consolidation in the Yilgarn to underpin the necessary infrastructure developments.

- Fresh from finalising a \$20 million capital raising, Venture Minerals has rewarded investors with high tin grades at its Mt Lindsay project in Tasmania.

Billed as one of the world's biggest undeveloped tin deposits, Venture said the latest drilling had struck a relatively shallow mineralised zone with metal grades as high 0.5 per cent over 95m.

Venture is finalising a resource upgrade and pre-feasibility study for Mt Lindsay, both of which should be out before the end of the year.