

The West Australian

Diggers & Dealers 2018: Goldies to lead bullish charge at Diggers



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Some commentators suggest Aussie miners could be eyeing their undervalued North American peers as potential takeover targets. Picture: Ian Munro

The annual Diggers & Dealers Mining Forum in Kalgoorlie arrives at a time when the State's gold mining industry is in rude health.

While the US dollar gold price hit a 15-month low yesterday, most of the mid-tier miners are making strong margins with the Aussie dollar gold price still well above \$1600/oz.

Northern Star Resources, Evolution Mining, Saracen Mineral Holdings, St Barbara, Regis Resources and others are spinning off vast quantities of cash.

All are presenting at this week's conference and attendees will be looking for any hint of where they plan to allocate their accumulating capital.

While local players look either fully or overvalued, some commentators suggest the Aussie miners could be eyeing their undervalued North American peers as potential takeover targets.

Inflationary pressure across the WA mining industry has been a recurring theme this year, most recently highlighted by a \$100 million blowout on the Gruyere gold project north-east of Laverton.

Delegates will look to Gold Fields boss Stuart Mathews and joint venture partner Gold Road Resources managing director Ian Murray for further guidance as to how it happened and whether it could have been avoided.

Fortescue Metals Group boss Elizabeth Gaines will no doubt be prodded again on the company's intentions for its 19.9 per cent stake in takeover play Atlas Iron.

It's getting to the pointy end for the high-cost, loss-making miner as it continues to haemorrhage cash.

Gina Rinehart's Hancock Prospecting late yesterday extended its \$390 million cash offer for Atlas to August 17 after revealing it had amassed a near 40 per cent stake in the company.

Investors will be looking for guidance from Independence Group boss Peter Bradford as to the size of uber prospector Mark Creasy's rumoured nickel find in the Fraser Range and whether IGO is close to another deal with its 16 per cent shareholder.

A public mineralisation report this week revealed the so-called Silver Knight find, about 25km north-east of Nova, as an early-stage discovery.

The Pilbara conglomerate gold story was a real page-turner for investors last year but has since turned into Homer's Odyssey. The narrative will get a reheat courtesy of Dr Quinton Hennigh, the president of Canadian explorer Novo Resources Corp.

Attendees will be keen to hear how the company is coming to grips with the nuggety nature of the gold mineralisation at Purdy's Reward south of Karratha.

On the sidelines of the conference, RM Research will launch the initial public offering of the Terry Streeter-backed **Moho Resources**.

The early drum is that the \$6 million raising at 20¢-a-share will be heavily oversubscribed.

Geologists are excited about the potential of the company's Empress Springs gold project in central Queensland and the Silver Swan North nickel-gold project 50km north-east of Kalgoorlie, which abuts Poseidon Nickel's ground.

Attracting, training and retaining the mining workforce of tomorrow is likely to be a key theme at this year's conference amid growing alarm about falling enrolments in mining courses Australia-wide.

The 2018 gathering will be tinged with sadness following the recent passing of popular and respected conference director John Langford.

While his death casts a shadow, organisers are planning what promises to be a fitting tribute.