

Steel nerves required when it comes to the hard sell

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AN UNOFFICIAL race is going on in Australia between several phosphate explorers over which will be first to get their project running.

The prize is to try to meet booming fertiliser demand in the developing world, with India, China and many other countries keen to increase crop yields.

Former Melbourne Football Club president and mining entrepreneur Joseph Gutnick's US-traded Legend International Holdings is eyeing a local float of Paradise Phosphate to raise capital.

Its Paradise deposits near Mt Isa, Queensland, could make a sound project, but the need for close to \$1 billion of fertiliser processing equipment has been a brake on development.

Then there is Minemakers, with chief executive Andrew Drummond making a scrip bid for partner UCL Resources that that board has described as inadequate and opportunistic.

Apart from UCL's Sandpiper marine phosphate project off Namibia, Minemakers is keen to develop its Wonarah phosphate project in the Northern Territory, which should cost about \$2 billion to get off the ground.

Talks with potential Indian partner NMDC are continuing, but the development cash needed is a significant hurdle.

The dark horse, and the one which has the lowest barriers to development, is Rum Jungle Resources.

Managing director David Muller is increasing resource numbers at its Barrow Creek, Karinga Creek and Ammaroo phosphate and potash projects and serious investors, including Washington H. Soul Pattinson, are on board.

The attractions of Rum Jungle, other than potential to reach a billion tonnes of resource, are its deposits straddle the central Australian railway and it is not contemplating much more than elementary processing.

With the railway and the port of Darwin keen for more traffic and cheap drilling to expand resources, Rum Jungle retains a speculative buy despite a firming share price.

Minemakers is a hold, and we won't be sending any money to the US to buy Legend International or participating in the Paradise Phosphate float.

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