

## AUSQUEST IN PERU TEST

# It's less desolate with allies, cash

## SPINIFEX

■ Peter Klinger

It's a pretty desolate world out there for explorers, which pretty much matches the landscape facing AusQuest's intrepid rock kickers at its copper-gold project in southern Peru.

But there was good news yesterday when AusQuest announced it had secured the backing of two bigger players — Zahena SAC and Southern Peru Copper Corp — and their cash to test three large-scale porphyry copper-gold targets it has identified across its Peru landholding.

AusQuest says the deal is potentially worth up to \$US26.5 million (\$34 million), mostly in drilling costs, that could hand Zahena and Southern Peru up to 70 per cent of the projects.

Investors rejoiced, marking AusQuest's stock up 44 per cent to 2¢ on turnover of about 24 per cent of its issued capital.

It is the second major farm-out deal AusQuest has struck, cementing its reputation for picking up prospective land but getting bigger players to



Exploring: AusQuest finds friends.

fund the necessary exploration. On Monday, AusQuest said Canada's SEMAFO planned to spend \$US5.6 million this year on its Banfora gold project in Burkina Faso, West Africa.

SEMAFO, which is in the throes of completing its \$178 million takeover of Burkina Faso-focused Orbis Gold, can earn up to 80 per cent of AusQuest's project.

The two overseas farm-outs leave AusQuest to focus its limited cash resources on an expanding footprint in the trendy Fraser Range east of

Norseman. A ground electromagnetic survey was planned for this month to test nickel-copper sulphide targets, about 80km from where Sirius Resources hit the big time with its Nova find. AusQuest hopes the surveys will come up with some drilling targets for later this year.

AusQuest had just under \$1 million cash at December 31 and expected to spend \$450,000 this quarter.

■ Tony James has not let much grass grow under his feet after dealing himself out of the chief executive role at Mutiny Gold, sold to Doray Minerals in a friendly takeover late last year.

James and a one-time Avoca colleague, Chris Newman, have popped up as the team in charge of reborn zinc-centric base metals hopeful Mungana Goldmines.

Managing director James and geology manager Newman will be charged with turning Mungana into a zinc producer based on assets acquired off the stricken Kagara.

Investors liked it, with Mungana up 20 per cent to 12¢, albeit on light volume.

✉ peter.klinger@wanews.com.au



## Herd on the Terrace

Edited by Peter Klinger Phone 9482 3248 Email business@wanews.com.au

# Charming Territorian pays Perth a visit

The Northern Territory's loss could be about to become WA's gain when it comes to trade ties with Indonesia.

Former NT chief minister **Terry Mills** is in town as the WA Government begins screening candidates for the resurrected role of Jakarta-based trade commissioner.

Mills was axed as the NT's trade commissioner just days ago by **Adam Giles**, the man who deposed him as chief minister in a coup in 2013.

Mills was spotted in a West Perth watering hole catching up with Australia-Indonesia Business Council chief **Phil Turtle** and Perth-based Indonesia Institute president **Ross Taylor**.

Turtle and Taylor were at the forefront of the campaign that saw Premier **Colin Barnett** reverse a Department of State Development decision to close the WA trade office in Jakarta.

Indonesian Consul to Darwin **Andre Omer Siregar** says of Mills: "He's very disarming in a sense that he can really persuade people and people feel very comfortable with him... I think that was the magic."

Watch this space.

## BGC GETS HART

Western Power's chief bean pole counter **Stewart Hart**, who

stunned the utility on Friday by announcing his resignation, is set to resurface in the employ of the Buckeridge family.

The well-regarded Hart, who spent much of his early career counting **BHP Billiton** money before joining Western Power in 2011, is understood to have signed up for the gig of executive general manager, finance and strategy, at **BGC Contracting**. An announcement is imminent.

## LEEDMAN LEAPS

**AusBiotech's** WA chairman **Brian Leedman** is high-fiving with the sale of his ResApp Diagnostics to **Narhex Life Sciences** clearing another hurdle.

ResApp Diagnostics boasts an exclusive licence from Queensland Uni to develop a smartphone app for the diagnosis of respiratory disease.

Leedman is getting lots of shares, though completion of the deal remains subject to conditions, including a \$2.5 million equity raising by Narhex.

Readers may recall Leedman as the owner of a silver Porsche 911 mysteriously pummeled with a baseball bat in the carpark of **Paynes Find Gold** back in 2011.

With **Brad Thompson** and **Sean Smith**