



Copper's recovery builds investor exploration thirst

Its many applications make the metal an economic bellwether.

SYNDICATED METALS In the past 30 days, the copper price has risen by 26 per cent. In the past six months, the gain has been 84 per cent. It is no wonder, then, that investor appetite for exploration results involving the now red-hot metal is greatly improved.

Copper traded at \$US2.77 a pound on Friday. That's still well short of the \$US4 a pound-plus prices of the pre-global financial crisis commodities boom but it's encouragingly up from the post-GFC lows of \$US1.25 a pound seen last December.

That's good news for all of us, not just for the copper explorers, as copper's many industrial applications gives it leading economic bellwether status among the metals.

Having said that, it is the leverage of the copper explorers to the metal's price recovery that is of

more immediate interest to Garimpeiro. There are plenty of them out there, but the ones with current drilling programs, or even better, pending assay results, will be the near-term focus of the punters.

The low profile Syndicated Metals (ASX:SMD) falls into the latter category. It has been quietly beavering away at its Barbara prospect in its Mount Remarkable project area, 50 kilometres north-east of the most copper-ish of our mining towns, Mount Isa in North Queensland.

Last October, Syndicated unveiled an initial sulphide resource of 2.4 million tonnes grading 1.6 per cent copper (38,000 tonnes of copper in total) from its initial work. It was a good start, even if the market could not have cared less as the GFC was in full swing.

It might be a different story this time around. Results are about due this week from a more recent drilling program to test down-plunge extensions to the mineralisation and new positions immediately north of the current resource.

If the pending results are positive, they would point to the potential for additions to the existing resource, including the possibility of a system of steeply plunging lodes at Barbara not dissimilar to the Eloise copper mine (10 million tonnes of 3 per cent-plus copper).

Mt Isa Metals (ASX:MET) is more than a casual observer as it owns 49 per cent of the lease into which the latest holes were punched, adjacent to Syndicated's wholly owned ground.

Preliminary pit optimisations on the existing resource (100 per cent Syndicated) have been positive, suggesting that any further upside potential will be welcomed by the market.

Syndicated is no one-trick pony — it has a large share of Kings Minerals' (ASX:KMN) Kalman molybdenum-rhenium-copper-gold deposit — but it is a thinly traded stock. Last sale was 18¢ a share, giving the group a market capitalisation of \$10.3 million (undiluted). At the end of June it was holding cash of \$3.5 million.