

best of  
the **best**

**2007**

RESOURCESTOCKS

# Best of the Best

COVER STORY

FEW would argue that 2007 has been outstanding for the resources industry in Australia as the demand from China and India continues to grow and energy takes centre stage with the price of oil driven higher by Middle East uncertainty.

The task of finding individual winners for this year's awards was anything but easy with new players exerting an increasing influence on the share market and our export trade.

Add the continued strength of major players, a rising gold price and optimism for an iron ore increase and you have an interesting mix for 2007 Best of the Best honours.

Voting for the various categories reflected the breadth and depth of Australia's mining, oil and gas sectors and while we congratulate and applaud the winners, we also commend the many others who were nominated or considered for nomination this year.

Reports by **Ron Berryman**

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# Best IPO of the Year

## Winner: **Carnavale Resources Limited**

Second: Torrens Energy Limited

Third: RMA Energy Limited

carnavale  
**RESOURCES**



### The star performer

Facing a huge, diverse field, the eventual battle came down to three top performers – Carnavale Resources Limited, RMA Energy Limited and Torrens Energy Limited.

Carnavale made a solid debut in March as the 20c shares came on at 26c and climbed higher on the back of solid investor support.

The company has a number of copper and gold projects in Brazil and a fairly tight share register.

The shares jumped again in June/July upon an announcement of the Tres Cores iron ore project followed by a molybdenum project, both in Brazil.

The company is now totally involved in progressing development on its key Brazilian projects at Parmegiana, Frei Martinho and Morro do Cobre.

The Parmegiana iron ore project, comprising about 60,000 hectares, is located in the Mato Grosso state of Brazil, while the Ilha Redonda project – on about 10,000ha – and the Tres Cores project – on about 30,000ha – are both in Amapa.

The Frei Martinho molybdenum project has a combined area of about 2000ha in an area well known for historical molybdenum mining, but has not been subjected to modern exploration.

While South American projects have not always appealed to Australian investors, Carnavale has proved an exception to the rule.

From its listing price of 20c, Carnavale has consistently hovered above \$1.40 and in early November was \$1.60 – an impressive 800% above its debut price. It has since settled back around the \$1 mark.

### Runner-up

Global warming and the growing pressure on alternative energy has helped make hot rock geothermal explorer Torrens Energy an interesting contender for IPO honours this year.

When it debuted in March at a premium of 35c, the Perth-based company attracted more than a little attention and it has continued to expand its geothermal exploration licences in South Australia as well as strategic positions in Melbourne.

Apart from being one of the biggest geothermal landholding companies for project areas, Torrens has concentrated on positioning its projects adjacent to major services including the national power grid.

It received further endorsement from a \$3 million federal government grant to bolster exploration, enabling it to start its first drilling program at the 2000 square kilometre Torrens project north of Port Augusta, South Australia, where it has four geothermal exploration licences.

The area is recognised as being a region of high geothermal heat flow and lies in a geological corridor known as the South Australian heat flow anomaly.

The company also has projects near the coast where it can utilise water for direct power generation and cooling as well as possible synergies in hybrid power generation and desalination.

Temperature modelling by Torrens has revealed one of its licence areas has a modelled temperature of 240C at a depth of 500m.

Despite some scepticism in the community regarding hot rocks and power generation, the market has shown a great deal of interest in this new player and the share price has been as high as 96c – a healthy premium on its 20c listing price.

In early November it was hovering around 50c.

### Third place

The final position on the *RESOURCESTOCKS* podium for the 2007 IPO of the Year went to a company targeting copper, silver, lead and zinc in Queensland.

There must have been something in the water in March as all three of our placegetters this year listed in March 2007.

RMA Energy came onstream with six exploration projects at McCauley Creek, Cliffdale Creek, Emerald, Coane Range, Bulburrum and Moonie, prospective for tin, uranium and coal. The company is concentrating on the 240sq.km McCauley Creek copper/lead/zinc/silver project and started a 1500m reverse circulation (RC) drilling program recently.

Initial rotary air-blast (RAB) drilling and surface sampling intersected mineralisation from surface to a depth of 20m over a 1km length, remaining open at depth.

Investors gained a head start on listing with RMA Energy's shares debuting at 80c, an excellent premium on the 25c listing price, and it has since gone as high as \$2.60.

### Other contenders

Also under consideration were uranium explorer Prime Minerals Limited, would-be tin explorer Wolf Minerals Limited, which has spent much of the year in a state of suspension, and Centaurus Resources Limited, a Perth-based explorer that has recently joined the South American ranks with the acquisition of gold and copper tenements in Brazil. **RS**