

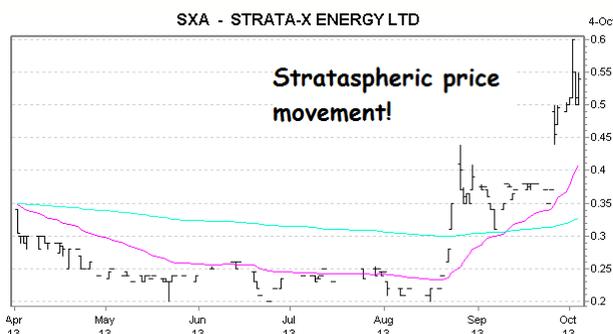
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## Backing the Jockey

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## Backing the Jockey



StockAnalysis has long extolled the virtues of backing the right jockey when investing in stock markets. People with a proven track record of wealth creation are often able to repeat the trick by virtue of their skill and the financial backing they attract from those who have previously made money from demonstrated leadership.

Recently, StockAnalysis recommended backing the jockey with a speculative buy for **Strata-X Energy** (ASX: SXA)

on the basis of its experienced management team, led by Ron Prefontaine and Tim Hoops. Ron was a founder of Arrow and then Bow Energy, while Tim has had a lot of experience in the USA, working on the Board of Victoria Petroleum, now Senex.

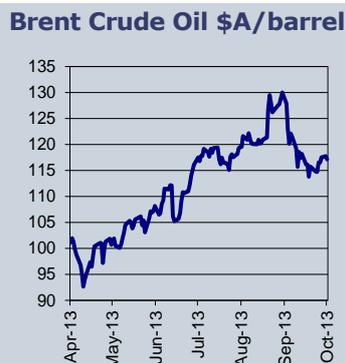
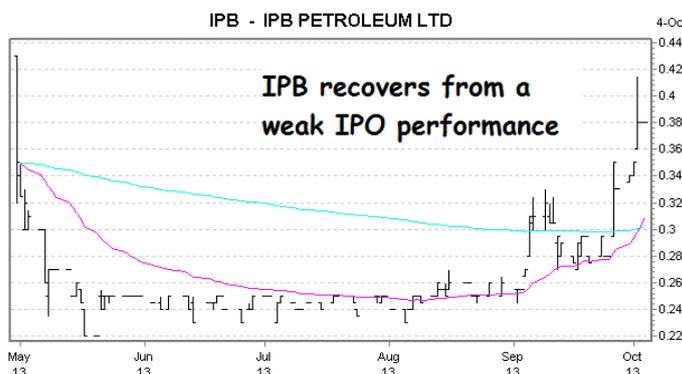
The company appears to have found oil in its first outing at its Vail project in the Illinois Basin and has a good follow-up project along the western portion of the Eagle Ford Shale (EFS) trend.

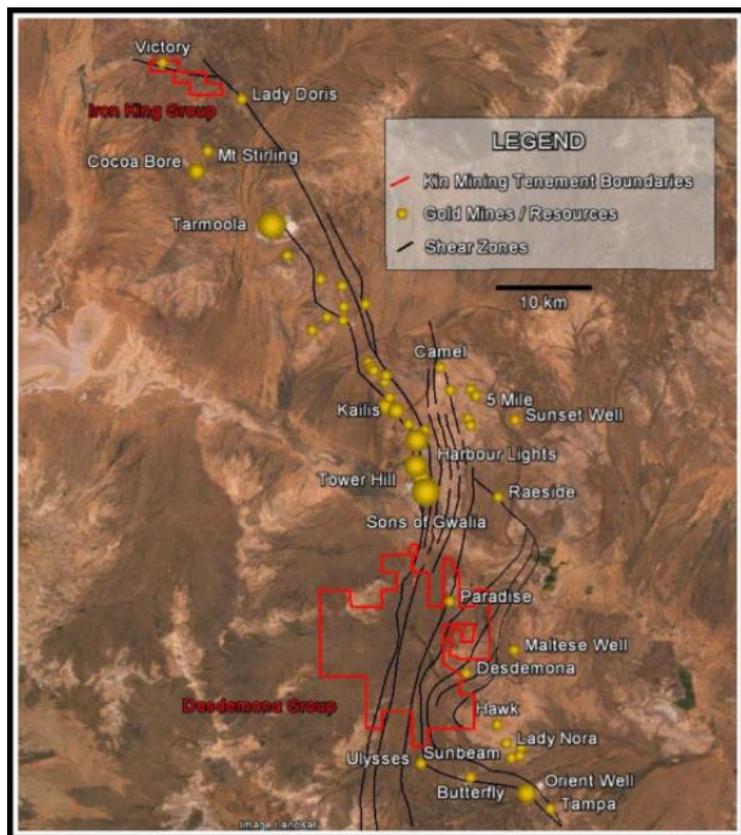
Ron's backers have had another win! Flow testing from Vail is eagerly awaited, but the project has gone quiet, probably to give Ron time to acquire more licenses! Meanwhile more cash may be required for ongoing field development as well as appraisal of its Maverick Project on the EFS. Strata-X has high project equity, so it is in a strong position to farm-out to fund, thus avoiding equity dilution.

Another well-led company to catch StockAnalysis' eye post float was **IPB Petroleum** (ASX: IPB). Clearly the IPO of this company was poorly managed with undisciplined seed capitalists jumping ship early, in unseemly numbers thus destroying its share price.

(Continued on page 2)

Indices and Prices	
All Ordinaries	5,148.10
Energy Index	13,695.70
Brent AU\$/bbl	117.15
AUS\$/US\$	0.9436
As at Close October 8 <sup>th</sup> , 2013	





Source: Kin Mining

While this action perhaps betrays a naive understanding of matters corporate, the underlying technical and operating qualifications of the company's Board and management tells another story. The company was founded by ex-BHP Billiton employees who were involved in BHP Petroleum's exploration of the southern Browse Basin. While BHP Petroleum gave up on the area, its staff maintained contact and have now come back to BHP's old permits with a carried interest in drilling for a +30 million barrel project.

Discovery at the Pryderi oil prospect holds potential to add over \$1.50 per share to the company's value and its risked exploration target value of 65 cents per share seems like a reasonable bet, based on excellent seismic anomalism over targeted prospects, even though the company appears to be somewhat of a one trick pony and fully priced at around 30 to 35 cents.

Another stock to attract the punter because of the jockeys is recent float **Kin Mining NL** (ASX: KIN). Kin's management and shareholder base have strong mining credentials.

One of the founding shareholders is Kerry Harmanis, who was so successful at Jubilee Mines, while many of the faces who made Jubilee tick are also in Kin Mining.

Chairman of the company is Terry Garmmer, who was a founder and promoter of the successful nickel miner Western Areas NL. He was its exploration manager from 2000 until retiring in 2004. In 2000 Terry was awarded the Association of Mining and Exploration Companies' Joint Prospector of the Year Award for the 1997 discovery of Jubilee Mines Cosmos Nickel Deposit.

Managing Director of Kin Mining is Trevor Dixon. He spent many years assembling Kin's tenements around the Leonora region from small holders, with a gold and Cu-Ni-PGE-Co sulphide focus. Previously he vended in assets to Jubilee Mines, which was subsequently sold to Xtrata for \$3.1 Billion.

Technical Director Fritz Fitton founded Geological & Mining consulting firm Maprock, which has been responsible for the preparation of numerous independent geological reports for inclusion in prospectuses for successful initial public offerings such as Jubilee Mines, Berkeley Resources and Trafford Resources.

Kin's permits south of Leonora are in a highly mineralised area. There has been 40 moz of gold resources discovered within an 80 km radius of its ground.

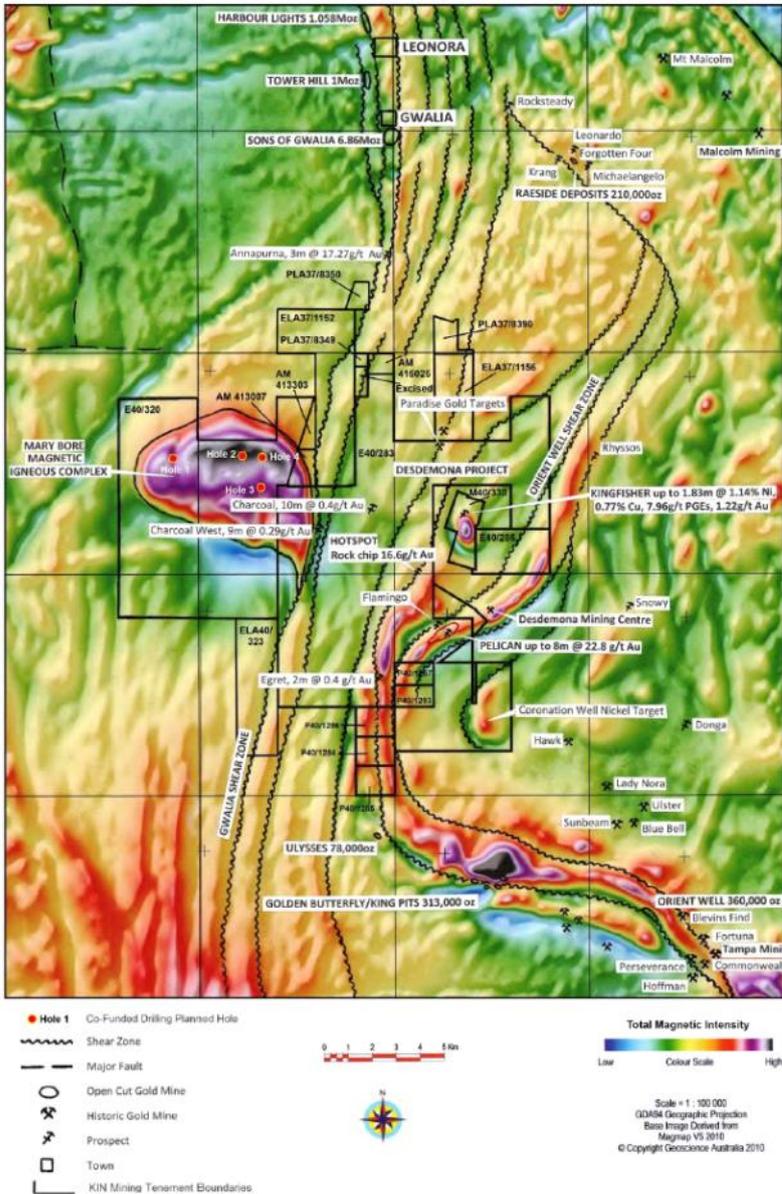
A total of 13.5 moz of gold has been mined or is still in mineral Resource along a shear zone running north from the Sons of Gwalia mine to the Tarmoola mine. This same Sons of Gwalia shear remains relatively unexplored to the south and about 20 kilometres of this unexplored shear zone runs through Kin's Desdemona Project.

Despite this provenance, the permits are under-explored. They were largely held in small leases, making systematic exploration difficult and the ground has significant alluvial and colluvial cover that has previously made exploration difficult and expensive. Application of modern geophysical and geochemical tools, while still expensive, renders these permits much more prospective than they were 20 years ago.

Historic gold workings indicate the continuation of gold mineralisation along the shear zones. Prospectivity is also enhanced by the presence of gold deposits along this southern section of the shear where the soil overburden thins and rocks again start to outcrop to the South East of the Desdemona project.

(Continued on page 3)

## KIN Mining NL Desdemona Project Including Planned Co-Funded Drillholes



Source: Kin Mining

Drilling at the Kingfisher, Pelican and Flamingo prospects has yielded encouraging results, including 1.8m at 1.14% Ni, 0.77% Cu, 7.9 g/t PGE and 1.2 g/t Au at Kingfisher and 8 metres at 22.8 g/t Au at Pelican.

Early work will be directed towards several magnetic anomalies identified by recent aero-magnetic surveys.

Kin has attracted government co-funding for drilling at Mary Bore within the Desdemona project which provides a third party endorsement of the exploration programme.

Unlike IPB Petroleum, Kin has a tight register with approximately 80% of the roughly 20 million pre-IPO shares in voluntary escrow.

Additionally, shareholders will receive 1 free attaching option for every 2 shares held, 3 months post-listing, which encourages shareholders to hold and buy more shares over the first 3 months of trading.

News flow should be relatively rapid. Early drilling will target high potential infill drilling targets and exploration targets that aim to extend identified mineralisation at depth that has previously shown reasonable grades.

The company has been able to keep a little cash flow happening by selling nuggets recovered while prospecting, so if that is any indication of the fertility of these rocks to hold gold, the future is bright!

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