

Kin's hits attract a whimper as fickle investors back tech

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■ Nick Sas

Although 2013 marked a dire year for the small resources sector — as well as a record lull in the number of mining IPOs out of Perth — a few bright sparks have emerged in the first few weeks 2014. Perth-based gold explorer Kin Mining is one. Last year the company managed to do the unthinkable: successfully list as a small-cap mining stock on the ASX and finish the year in the black.

Kin, which listed at 20¢ a share in September, got as high as 33¢ in October.

The company is backed by earthmoving contractor and now managing director Trevor Dixon, who sold some of his tenements into the company in exchange for about 4.5 million shares.

He now holds about 17 per cent and is joined on the Kin board by Sirius Resources director and well known geologist Terry Grammar, who is company chairman.

The ground Mr Dixon sold

forms part of its Murrin Murrin project, which the company released drilling results for yesterday.

The brownfields project, 45km east of Leonora, sits next to some well-known mines. (It is 15km south of Minara Resources' Murrin Murrin nickel mine).

And yesterday the area's reputation for high-grade mineralisation continued.

Kin had gold hits of 25m at 3.16 grams a tonne from 63m below surface and 10m at 2.7g/t from 64m.

But the juicy carrot on the stick came in the form of 1m at 36g/t from the final metre of one of the drill holes.

Although it's akin to well-informed guess work, the company said the final metre confirmed "high-grade primary bedrock gold mineralisation . . . the mineralisation remains open along strike and up and down dip."

Despite the grades, Kin shares only offered a whimper yesterday, finishing unchanged on low volumes at 29¢. It highlights the fact that gold is still very much in the "too volatile" basket for risk money just yet.

The company said it would follow yesterday's results with deeper drilling later this month or early February.

■ Despite the green shoots coming through, there are other signals to show things remain pretty dire. One of which is the number of small-cap miners willing to sell their souls and move into the booming tech scene.

Word around West Perth is that a number of struggling exploration companies are shopping around the "so hot right now" tech market and a tide of deals are almost wrapped up.

Yesterday, Minerals Corporation officially completed one hurdle in its acquisition of tech firm PRM Cloud Solutions after raising \$650,000 at 0.25¢. Local brokers say the placement was snapped up quickly, with investors screaming for more.

And Spencer Resources, the trailblazer in tech boom Mark II from October, announced yesterday its \$2.83 million raising for the takeover of Sydney IT company Bulletproof Networks had finished oversubscribed.

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