

New platinum miner debuts on market

by [Allan Seccombe](#), 26 November 2012, 07:56
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Picture: THINKSTOCK

WHILE platinum miners grapple with a restive labour force and cutbacks in production, a new exploration company in the sector listed on the JSE on Friday, bringing its shareholders exposure not only to the precious and industrial metal, but also to iron and vanadium.

Sable Platinum has reverse-listed into cash shell New Corpcapital and began trading on the platinum sector of the JSE's main board. The stock closed up 5.71% at R1.11.

New Corpcapital will change its name to Sable, which will raise R200m in an equity issue of not less than R1.20 per share in the first half of next year. It will use the proceeds to drill on its various properties, which contain platinum at between 128m below the surface and deeper than 2km.

Further, company CEO James Allan said the miner had shallow iron and vanadium deposits it would like to explore and bring to account too.

The introduction of a new platinum-focused company on the JSE comes at the tail-end of unprecedented strikes at platinum mines. These have cost South Africa billions of rand in lost revenue and forced the market for the metal into a shortfall this year of at least 400,000oz from an expected surplus, according to market specialists Johnson Matthey.

"We believe we've seen the bottom of the platinum cycle," Mr Allan said. "Looking at a chart of the JSE platinum index, we believe it bottomed in September and we've passed the worst of it.

"At the beginning of the year there was an expectation of a platinum surplus of 400,000oz to 600,000oz. Now we're facing a deficit this year.

"The physical market is in a better state than it was at the start of the year. Listing at the moment is good for investors that come into Sable, coming into the market at the bottom and

riding it on the way up, rather than listing at the top of the market. If you list at the top of the market, you end up with a lot of unhappy shareholders. The timing is good."

The focus for Sable is to conduct drilling on its properties to generate resources that comply with South Africa's mineral codes. It has targeted resources of between 42-million and 70-million ounces.

Among the properties Sable has is Klipfontein, close to Brits, which it shares with Canada's Platinum Group Metals. The other is Syferfontein, nearby, with iron and vanadium deposits.

Three other properties owned by Sable have surface iron and vanadium deposits and it has submitted prospecting permits to explore them. The properties include Abrina, near Northam Platinum's Zondereinde mine, the Bank project near Impala Platinum's mines in Rustenburg, and Doornpoort near Klipfontein.