



## Money in the skyrocket

*We told investors to watch this space – now Quickstep is living up to its name and copper miner Hillgrove has joined the act.*

**THE SPECULATOR** DAVID HASELHURST

**O**UR HI-TECH AEROSPACE hopeful, **Quickstep Holdings**, scored another milestone last week with the opening of a demonstration plant in Dayton, Ohio, the heartland of the US carbon composites industry. Executives from Boeing, General Motors, Huntsman Chemical and other multinationals were there to see Ohio governor Bob Taft launch Quickstep's new centre of excellence at the Dayton Campus for Advanced Materials Technologies. Better, the city of Dayton and various other quasi-government bodies put up \$US1.8m (\$2.37m) in grants to house and fund the purchase of a Quickstep-patented composites moulding machine.

The machine has been demonstrated to make composites – such as carbon-fibre mouldings – five times faster than present technologies. The new centre is the fourth opened to demonstrate the company's technology to potential buyers. The others are at Quickstep's Perth headquarters, at Victoria's Deakin University and at the University of Manchester in Britain. The Deakin installation was supported with a grant of \$400,000 from the Victorian Centre for Advanced Materials Manufacturing and the Manchester machine with a \$5.2m grant from Britain's Northwest Development Agency. That plant has been pressing sample parts in recent months

for BAE Systems and Airbus.

There's bound to be more in this stock, which we first bought (*B*, July 11) at 21.5¢. They've since traded as high as 80¢ and, at last week's price of 52.5¢, the company now carries a market capitalisation of \$74.3m. Quickstep's emerging status is reflected in the calibre of the new executives it has attracted. Last week the company appointed Drew Myers, a former senior composites engineer with Airbus in the UK, as chief operating officer in Australia and head of engineering. It also brought on board Benjamin Luedtke, formerly of US-based Applied Materials, as technical manager of the new Dayton centre. Quickstep management is headed by CEO Nick Noble, a chemical and mechanical engineer and holder of 3.1% of the stock.

Meanwhile, copper hopeful **Hillgrove Resources** came good last week with a positive outcome for the pre-feasibility

study completed by its consultant, Roche Mining, on the Kanmantoo copper-gold project 55km south-east of Adelaide. Managing director David Archer and geologist Dale Ferguson were in Sydney to spruik the project to brokers. The Kanmantoo resource has been increased to 28 million tonnes at 0.94% copper and 0.2g/t gold.

Based on an initial mine plan to extract 12.7 million tonnes of ore over a 6.5-year mine life, and with copper at about half its present price at \$US1.80/lb. the

study concludes the project has a net present value of \$75m and a net cash flow after capital recovery of \$141m. Initial capital expenditure of \$98.3m would be recovered in the second year of operation.

The project has excellent leverage to the copper price. If that is sustained at \$US2.50/lb, the value – at an 8.5% discount and an exchange rate of \$0.70 to the greenback – rises to \$134m. That's

appealing against Hillgrove's present market capitalisation of \$47.2m on its 181 million shares at last week's price of 26¢.

The initial mine plan is based on extending the existing pit, which has a diameter of 400m and depth to 120m, into a pit 1.2km long by 600m wide and 270m deep. There remains potential to develop more ore beneath the pit and in satellite prospects. Last week the company announced results from eight diamond drill holes that yielded significant copper mineralisation not incorporated in the latest resource estimate or the pre-feasibility study. The best intersection was 40m, below 38m, of 2.77% copper and 0.26g/t gold.

The company has committed to a full feasibility study to cost \$5m during the next six to nine months. Funds are in hand. Hillgrove also holds 29% of the listed **Eastern Star Gas** and 31% of **InterMet Resources**. ●

## HOW THE PORTFOLIO STANDS

	COMPANY		BOUGHT	COST (\$)	NOW (\$)
7000	Amadeus Energy	AMU	13.05.05	av .73	1.01
20,000	Rey Resources	REY		av .104	.185
12,000	Image Resources	IMA	9.01.06	av .39	1.36
20,000	Hillgrove Resources	HGO	23.02.06	.17	.26
30,000	Eastern Corp	ECU	16.03.06	.064	.063
10,000	Giralia Resources	GIR	5.04.06	.41	.355
100,000	Longreach Oil	LGO	4.05.06	.018	.028
5000	Reed Resources	RDR	4.05.06	.49	.50
2128	U308 deferred	UTO	9.05.06	free	.55
5000	Meteoric Resources	MEI	20.06.06	.24	.27
3000	Greenvale Mining	GRV	22.06.06	av 1.26	1.20
10,000	Quickstep Holdings	QHL	22.06.06	.215	.525
20,000	Discovery Nickel	DNL	6.07.06	.21	.27
12,000	Australis Aquaculture	AAQ	1.08.06	.40	.56
110,000	Nuenco	NEO	3.08.06	.018	.017
40,000	SMC Gold	SMO	7.09.06	.115	.175
12,000	South Boulder Mines	STB	20.09.06	.22	.215
50,000	D'Aguilar Gold	DGR	12.10.06	.065	.105
<b>Total value of portfolio</b>					\$83,220
Owe the bank					-\$7011
<b>TOTAL</b>					<b>\$76,209</b>
Portfolio change since Dec. 30, 2005					<b>+154%</b>
All Ords since Dec. 30, 2005 (4708)					+11.6%

*The Speculator's portfolio is notional, based on prices and turnovers in the week before publication. It commences each year with \$30,000. The author's family holds shares in Amadeus.*