

Sleepy explorer puts market on notice

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The market was put on notice more than a year ago that a sleepy explorer going by the name of **New Age Exploration** was out to secure a brighter future for itself.

The notice came with the appointment of Gary Fietz as managing director. Fietz is a seasoned geologist who before the NAE gig, spent some 21 years with BHP Billiton, the latter stages of which saw him in charge of BHP's West African iron ore push.

It can be said now that Fietz's plan to deliver NAE a brighter future has come . . . err... of age, with the company positioning itself as a stock to watch on the strength of its recently acquired Colombian coal interests.

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In a 90:10 partnership with Aurora – essentially a bunch of industry professionals with a network of Colombian coal contacts - NAE has got cosy with Colombia's big coal producers in the Cesar thermal coal basin.

In the last couple of months, the NAE/Aurora partnership has been rolling out a string of deals in the Cesar basin which is where the privately-owned US group, Drummond Company Inc, recently struck a deal for the sale of 20 per cent of its operations to Japan's Itochu for \$US1.52 billion.

Drummond/Itochu, Vale, Glencore and others all have big time expansion plans for their Cesar basin operations, which makes it the kind of place that a junior like NAE can leverage off the industry's expanding infrastructure of roads, rail and export ports.

The first of the deals struck by the NAE/Aurora partnership involved concessions contiguous with Drummond and Vale operations and came with a conceptual exploration target of 200-800 million tonnes. More recently there was another deal (La Miel) which has a 50-200 million conceptual exploration target.

It's early days but given expectations that thermal coal prices are going to remain north of \$US100 a tonne to infinity and beyond, NAE's growth as a Colombian coal story could be worth following.

It looks like others have come across the story, with NAE shares shooting 2 cents higher yesterday to 9.5 cents a share, valuing the company at all of \$9 million.

Today, though, **the stock has rallied**, reaching as high as 12 cents before easing back to 11 cents in afternoon trading. That's a gain of about 16 per cent so far - not so sleepy a stock after all