

# Anchor Resources receives takeover offer from Chinese company

- Robin Bromby
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**FEW resource company investors would have given much thought over the years to the metal antimony, but perhaps now is the time to do so.**

Since stock exchanges have operated in Australia, only seven companies have included the word in their names and none is still around. Since 1931, when Queensland Antimony Mines was delisted, the rest have fallen over or gone in other directions.

And the country's only developed antimony mine controlled by a locally listed company -- Hillgrove, owned by Straits Resources (SRL) -- is in mothballs after equipment problems. (The only operating mine, Costerfield in Victoria, is controlled by a Canadian company.)

But the antimony scene changed on Tuesday after explorer Anchor Resources (AHR) received a takeover offer from a Chinese company.

Antimony (used as a fire retardant in toys, children's clothing and many other items, along with being used in car batteries, ammunition and PET plastic containers) is in short supply.

China produces 91 per cent of the world's antimony (the rest coming mainly from Bolivia, Russia and Tajikistan) and its production has been hit by mine closures due to environmental and other problems, and Beijing has declared it a strategic metal.

Anchor Resources has the Wild Cattle Creek antimony deposit in northwestern NSW and earlier this month, it upgraded its resource at a time when the metal hit a record of more than \$US12,000 a tonne. The mine has been operated intermittently since the late 1800s.

The interesting aspect of the out-of-the-blue takeover offer from China Shandong Jinshunda Group is that the bidder has no antimony experience, its interests being in copper, gold and iron ore.

The bid has all the hallmarks of China seeking to maintain control of the antimony market, just as it has with rare earths.

Those who were around in the mid-80s will recall China flooding the market with cheap tungsten to force producers elsewhere out of the business. A report just issued by ABN Amro suggests Beijing may also try the same trick with rare earths, that is, release large volumes into the world market, thus suppressing prices and knee-capping the emerging mines in Australia and the US.

Incidentally, there is one other antimony play in Australia: Northwest Resources (NWR) has the Blue Spec gold project in Western Australia which contains about 7000 tonnes of antimony, with potential to expand.

Perhaps a few other companies might now look at combing through the records of all the old long-forgotten antimony projects.

The metal seems certain to be a star performer in coming years.

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<http://www.theaustralian.com.au/business/mining-energy/anchor-resources-receives-takeover-offer-from-chinese-company/story-e6frg9ex-1225976456922>