

HANDS ON APPROACH TO BENEFIT SHAREHOLDERS

Strengthened through trial and error, Drilling Resource Partners has evolved its business model into Raptor Global Corporation, with a more hands-on approach to look after the best interests of its shareholders and its clients. **Anthony Barich** reports

AFTER BRINGING A plan to help junior resource companies better achieve their full potential into reality in a mere 12 months, the team behind Drilling Resource Partners has evolved Raptor Global Corporation (RGC) into a stronger, more hands-on unit.

Geo-Engineer Marcus L'Estrange and Shaun Melville co-founded DRP in November 2012 with an innovative business model of identifying junior mining companies who have not performed to shareholders' expectations and aligned those shareholders' interests with that of said companies' boards.

Last year, DRP then teamed up with newly-formed Raptor Mining Services to provide "end to end solutions" for juniors to invigorate the

small-cap sector, focusing on low-cost mine development and production.

Now RGC has evolved from DRP's original model, strengthened by the new strategy of taking a seat on the board of the company it has selected after doing thorough due diligence on, and signed up with to manage their listing.

Last year, DRP managed the listing of Leonora gold explorer KIN Mining onto the Australian Securities Exchange in a market where industry did not believe it could be done, and re-positioned the company that led its stock to trade at a 50% premium to its issue price.

Today, the formation of RGC as a public company is designed to allow its network to be equity participants. While L'Estrange says the listing of RGC is not a near term

goal, with each company it partners with and takes an equity position in, RGC is building up an asset base of companies that it has chosen to partner with.

"We never partner with a company before we've gone over everything with a fine tooth comb – all the primary data, drilling results, various surveys, historical information and competency of the board," L'Estrange told *RESOURCESTOCKS*.

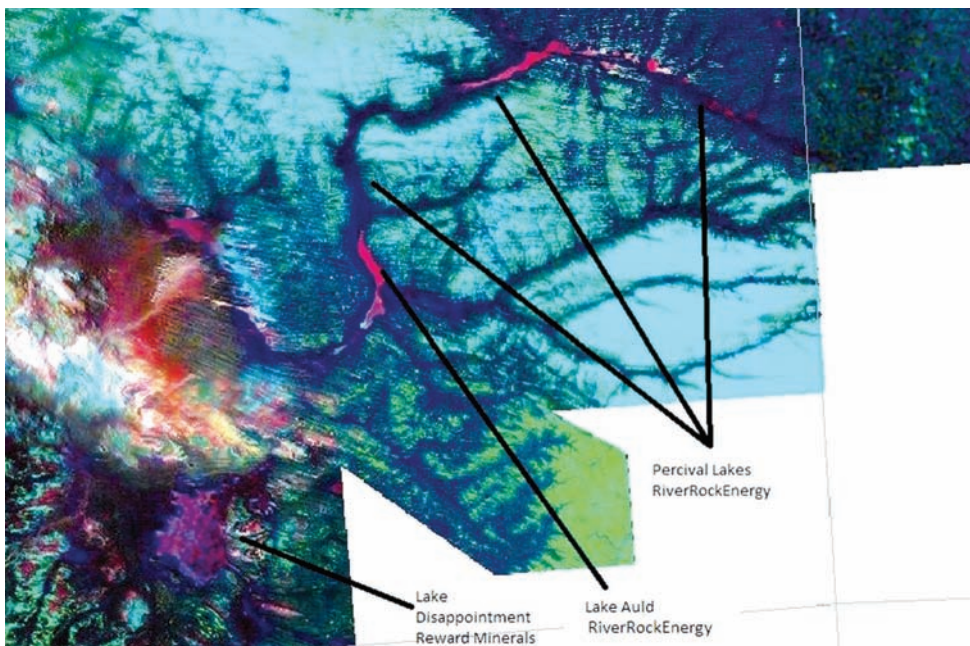
"If all this checks out we then walk the ground, look at the assets in the field and in some instances where there has been drilling, we actually go out to where the best intersections were encountered, pan those drill cuttings and confirm that the gold is there."

He mentions gold because this forms part of RGC's contrarian view seeing selected opportunities in this sector. This led to their new partnership with Golden Eagle Mining, which identified a resource on the Bullabulling shear currently in world headlines, with Bullabulling Gold the subject of a hostile takeover bid by Chinese majority-owned Norton Goldfields. RGC now has board representation within Golden Eagle Mining.

RGC has also identified potash as a growth sector and has signed with and has taken a board position on River Rock Energy, which has tenements in Western Australia's far north that holds some of the best brine SOP (sulphate of potash) deposits in the world from which to produce premium potash with a low-cost method.

Having been appointed to River Rock's board, L'Estrange flew up to WA's north to meet with the

Radiometric survey of the paleo channel that runs through River Rock Energy's tenements. The potassium in the potash deposits are shown as red.



traditional owners, the Martu people, which RRE plans to create a joint venture partner with in contrast to the typical royalty type deal.

Meanwhile, Golden Eagle – named after one of the biggest nuggets found in Australia near Coolgardie – is “a really special case” for RGC, L’Estrange said.

“The area that makes up Golden Eagle’s ground has been held by a lot of prospectors that have never really been able to pull it all together to get anything into production on a larger scale,” he said.

“Golden Eagle has already spent some \$2 million on drilling and exploration, and some of the results have been off the charts. So it’s not so much an exploration play, especially at its Endeavour prospect, where once listed they will do infill drilling to prove up a JORC resource.

“The Endeavour project is on strike to Bullabulling Gold’s Gibraltar pit. I actually think Golden Eagle may be a potential takeover target, just as Bullabulling has been for Norton.”

Golden Eagle managing director Bradd Granville said he approached RGC after looking closely at the success of the KIN Mining IPO, looking to find out more about the innovative model that proved successful in a difficult market.

“What attracted me to enter into a partnership to move Golden Eagle Mining into a listed position was [Raptor’s] dedication to their shareholders,” Granville said. “It was a non-broker model that utilised industry participants and I thought that was going to be best for our shareholders in the long-run.

“Things have changed in the IPO world in the last few years. There’s not too many of them getting away, and this particular model that utilises industry participants is a good model going forward, and so far these guys have been extremely pro-active.”

RRE chairman Jim Zadko noted that L’Estrange and his colleagues are “very selective in what they go after, and with 2.5 billion people to feed in the subcontinent and Asia Pacific, Raptor was very interested in our story from day one”.

“I like their approach – they’re small but very focused. They’re not running around doing 25 deals at a time. We have their attention and they have ours of course,” Zadko told *RESOURCESTOCKS*.

RGC is also looking to provide its range of services to already-listed companies, and has assembled a team of some of the best in their field in

different services within the mining industry, ranging from metallurgy to mining engineers doing pit optimisations. RGC has also formed strategic alliances with drilling companies and earth movers.

“Where we enter into a partnership with an already-listed company, it’s not necessarily a case of taking a board position but we look for companies where there is a strong potential for profitable, near-term production and help them achieve that – both with funding assistance and with services,” L’Estrange said.

“We’re also looking at acquiring our own production assets and using our team on those, and we’re continually broadening that range of services as we grow, including a mobile mill project.

“People are starting to realise how many small investors unfortunately have been burned in the boom times. I think there is a lot of power in uniting the shareholder bases, and really keeping them strong and feeling involved.

“We try to accomplish this by open and frequent lines of communication, not keeping people in the dark, telling the story warts and all, because not everything is positive; but as long as there are a lot more positives than negatives, the company can move ahead. Anyone who is realistic understands that. If you do get a group of shareholders holding together, it can actually help not only the company but the shareholders’ own investments significantly, and really there hasn’t been, in my opinion, a group that has made the most of that scenario.

“If respected, a strong shareholder base can be an ideal source for additional funding.

“We try to identify the markets that are going to perform strongly over the next several years; then try to identify junior companies within those sectors that meet our criteria, including assessing their assets and board, and where we can contribute to their corporate structure with corporate advice, and if they need to be listed, do that also.

“Our services aren’t limited to the design and development of capital raising strategies. We do not just provide assistance on this front and then walk away. Any company for which we structure the injection of capital, we look to form a long-term partnership with, and bring our own network along for the journey in opportunities that arise from that, both at a wholesale and retail level.” **RS**



Panning drill intersections to confirm presence of gold for Golden Eagle Mining in Coolgardie.



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