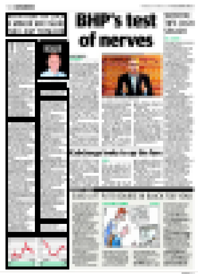

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WITH A BIT OF LUCK A MINOR MAY MAKE THE LEAP TO MAJOR

IN THE BLACK

JOHN BEVERIDGE

THE junior exploration part of the share market is packed with companies with good projects which they have no chance of turning into mines.

While the rocks might be there along with exploration potential, there is just no way a company with a tiny market capitalisation will ever raise enough capital to start a mine.

At best they can hope to get bought out by someone but only if they can survive long enough and the project is compelling enough to attract a bigger player.

Syndicated Metals is one of the few juniors that could go the whole way, thanks to a partnership with Washington H Soul Pattinson's CopperChem and proximity to processing facilities at Cloncurry and Mt Isa.

Under the partnership arrangement CopperChem have been financing the bankable feasibility study which should be completed this year.

Central to Syndicated's road to production is the high grade Barbara copper deposit, which will support a two-year mine life as an open pit.

That mine life could be lifted to as much as five to seven years if further drilling supports underground mining, which appears likely.

Then there is Blue Star, a nearby copper deposit which with a bit more infill drilling could become another Barbara.

If that was the case then it is possible that CopperChem would move their existing processing plant from Cloncurry to Barbara, significantly reducing trucking costs for Barbara and Blue Star and improving the economics of the whole project.

Syndicated has $1.6 million in the bank and is fully funded to the decision to mine at Barbara and has a highly experienced exploration and production management team led by chief executive Andrew Munckton.

With the Mt Isa/ Cloncurry area in Queensland being one of the best understood and most productive copper districts in Australia, Syndicated Metals is a **speculative buy** with a good chance of graduating from an explorer to a miner.

The second day of the Australian Microcap Investment Conference featured several companies that I have covered here before, including Rum Jungle Resources, emerchants and Quickstep Holdings.

One that I haven't looked at for a while is AMA Group, an automotive company that has been consolidated and turned around from a debt ridden start by chief executive Ray Malone.

The two big chunks of revenue for AMA are from alloy bullbars (around $29 million) and vehicle panel repairs (around $31 million), with contributions from auto electrics ($17.9 million) and brake and transmission repairs ($7.8 million).

With a strong balance sheet and a history of paying dividends, the big push for AMA is into rapid and express panel repairs for cars, something which is being sought by both customers and car insurers.

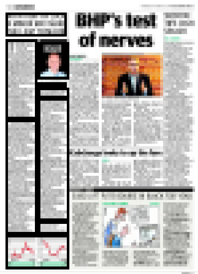
The recently acquired Repair Management Australia (RMA) is a pioneer in fast turnaround repairs and should be able to rapidly expand the concept now.

AMA already has strong relationships with insurers and is an authorised premium repairer for BMW, Subaru and Chrysler so there should be plenty of organic growth opportunities.

However, the main game for AMA is to build on the $7 million purchase of RMA with further acquisitions to build scale and keep consolidating what remains something of a fragmented cottage industry.

Some impatient institutional shareholders may leave a dent in AMA's share price but I think it remains a **speculative buy**.

The Herald Sun accepts no responsibility for stock recommendations. Readers should contact a licensed financial adviser.



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