

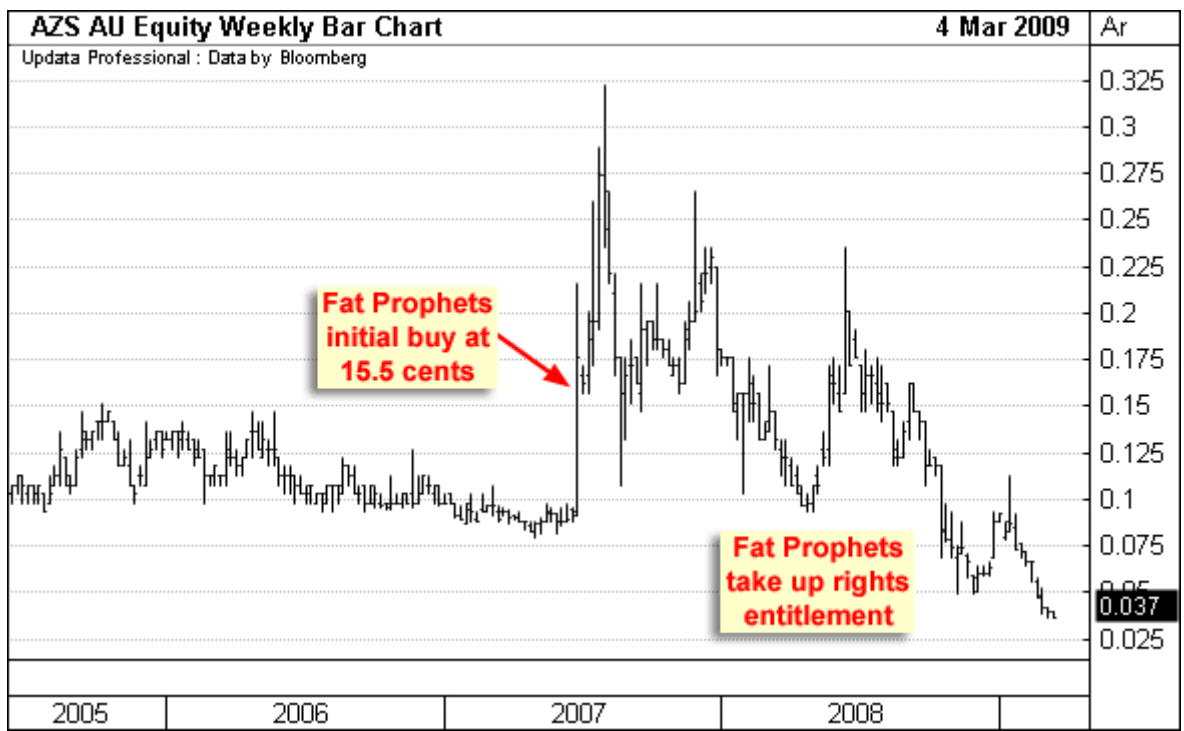


AZS	<input type="radio"/>	◆◆◆	H
IPM	AUD \$1.09	<input type="radio"/>	◆◆◆ Takeover
PIO	<input type="radio"/>	◆◆◆	H
ZRL	<input type="radio"/>	◆◆◆	H

Take up AZS rights issue, Accept IPM takeover offer, Take up PIO SPP, Vote in favour of ZRL funding proposal

Azure Minerals – Take up AZS Rights Issue at 4 cents

The company has previously announced a 2-for-5 renounceable rights issue to existing shareholders at an issue price of \$0.04. The company is aiming to raise up to \$2.7 million from the issue, with proceeds used to provide ongoing funding for its Mexican exploration projects, in particular the Promontorio project.



The closing date for acceptances to the offer is next Thursday, 12 March. Despite the market price being slightly below the rights issue price, we still believe this is a great opportunity for existing shareholders to acquire new stock at a very cheap price without incurring brokerage charges.

We would therefore encourage all Members to take up their full rights issue entitlement. AZS will remain held within the Fat Prophets Mining & Resources Portfolio.

Incremental Petroleum – Accept revised TransAtlantic takeover offer at \$1.085 per share

As we reported a couple of weeks ago, TransAtlantic has increased the consideration under its unconditional takeover offer from \$1.07 to \$1.085 per Incremental share. Incremental's directors have unanimously recommended that shareholders accept TransAtlantic's offer and they have already accepted the offer themselves.



The acceptance of TransAtlantic's offer by Incremental's largest shareholder, Cooper Energy, effectively delivered control of Incremental to TransAtlantic. In light of this, both we and the Incremental board recommended that Members accept the offer. Furthermore, TransAtlantic now owns more than 90% of the shares in Incremental, meaning it can now compulsorily the balance from the company's remaining shareholders.

We would urge shareholders that have not already accepted TransAtlantic's offer to now do so. Under the accelerated payment terms shareholders who accept the Offer before its close this Friday 6 March will receive cash within ten business days of receipt of a valid acceptance. Delaying acceptance after this date will mean delayed payment.

Incremental Petroleum was one of the first companies included in our Portfolio way back at the end of 2005. The company enjoyed a solid, profitable history, including steady dividend payments to its shareholders. Ultimately, the company needed greater funding to accelerate development of its Selmo oilfield in Turkey and a company with deeper pockets like TransAtlantic will ensure that this happens.

We recommend that Members accept the TransAtlantic takeover offer.

Pioneer Nickel – Take up PIO SPP entitlement at 2 cents

The company has announced a Share Purchase Plan (SPP), which follows on from the modest but successful capital raisings and project equity transactions that have yielded \$490,000 so far this year. The SPP will provide eligible shareholders (who held PIO shares

as at 26 February) with the opportunity to subscribe for between \$500 and \$5,000 worth of Pioneer shares, at an issue price of 2 cents per share.



The pricing is attractive and represents an approximate discount of 20% to the average closing price of the company's shares over the five trading days before the SPP was announced, and a 16% discount to the current trading price of around 2.4 cents. The SPP will close on 27 March.

The funds raised through the SPP will be used to fund drilling programs at the company's Lignum Dam Gold Project, located 80km NE of Kalgoorlie, WA. Members can find more detail on these specific projects in our recent full write-up on Pioneer Nickel in Fat Aus Mining 161.

Over the past six months the company made a strategic decision to scale back its exploration activity and reduce its exploration commitments. This has involved selling equity in some projects and deferring discretionary expenditure on others.

The company is typical of many quality, junior exploration companies that are doing it tough in the current market environment. The company boasts a strong portfolio of exploration projects and a high quality board to properly evaluate them, but the company has to watch its spending as the ability to replenish its cash reserves dries up. Nevertheless, with modest funding the company is able to keep its exploration programs ticking over.

We would encourage all Members to take up their full SPP entitlement and Pioneer Nickel will remain held within the Fat Prophets Mining & Resources Portfolio.

Zambezi Resources – Hold ZRL

As a reminder to Members, there will be a General Meeting of shareholders on 9 March to consider the ratification of the previously announced two-Tranche fund raising proposal

involving ASX-listed Astron Limited. We have previously encourages all shareholders to vote in favour of the proposals (refer to Fat Aus Mining 160).



Under the proposal, Zambezi will conduct a share placement to Astron comprising 29 million shares at a price of A\$0.02 per share to raise A\$580,000 as part of a Tranche 1 financing. Following the share issue Astron will have a relevant interest in a 12.78% stake in the company.

Tranche 1 is the first part of a proposed three-stage transaction that will raise approximately A\$13 million, subject to various conditions including shareholder approval. Refer to our report in Fat Aus Mining 160 for all details.

The Zambezi board believes that the proposed transactions will secure the necessary funding to ensure the company's future and at the same time provide the company with an important strategic investor. The funds raised from the transactions will provide Zambezi with sufficient financial resources to continue work on its high quality exploration portfolio in Zambia.

We would therefore encourage all Zambezi Resources shareholders to vote in favour of the funding lifeline. The deal reinforces our view that if a company's assets are of the highest order; financing deals can be accessed even in the most difficult of market conditions.

Zambezi Resources will remain held within the Fat Prophets Mining & Resources Portfolio.

Snapshot AZS

Azure Minerals

Azure is an explorer and developer of precious and base metal projects in Mexico. The company is exploring in the richly-mineralised Sierra Madre Occidental mining province in northern Mexico, and is expanding its activities to other mining districts in northern Mexico. Azure currently holds nine 100%-owned projects and 13 projects in joint venture with TSX-V listed Geoinformatics Exploration Inc, in which Azure has earned an initial 51% interest. The entire project portfolio now covers an impressive area of 186,200 hectares (1,862 km²). Drilling has intersected promising mineralisation in copper, gold, silver, zinc, lead and molybdenum.

The company's flagship project at present is the Promontorio Project in the state of Chihuahua, which has the potential for small-scale, high-grade mining.

Market Capitalisation	A\$9m
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Snapshot IPM

Incremental Petroleum

The company's major producing asset is the Selmo oilfield in Turkey, the second-largest oilfield in Turkey by cumulative production. A second major asset in Turkey is the Edirne gas project in which Incremental has a 55% interest. In May 2008 Incremental trebled its project portfolio with the acquisition of interests in five projects, totaling more than 19,000 acres in the prolific hydrocarbon region of the San Joaquin Basin in central California, USA. The company was subject to an unsolicited takeover offer from Cooper Energy, with acceptances reaching 27%. The company subsequently received a rival offer from Canadian oil company, TransAtlantic Petroleum at \$1.085 cash per share, which directors have recommended. The offer is in the final stages of completion.

Market Capitalisation	A\$86m
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Snapshot PIO

Pioneer Nickel

The company is typical of many quality, junior exploration companies that are doing it tough in the current market environment. The company boasts a strong portfolio of exploration projects and a high quality board to properly evaluate them, but the company has to watch its spending as the ability to replenish its cash reserves dries up. Nevertheless, with modest funding the company is able to keep its exploration programs ticking over, mainly with the help of major shareholder, Xstrata.

Market Capitalisation	A\$3m
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Snapshot ZRL

Zambezi Resources

Zambezi Resources is focused on exploration and development of its copper, gold and uranium projects in southern Zambia. The company has identified seven major project areas which it is actively exploring, contained within eight prospecting licenses covering an area of more than 16,000 sq km. The company has an operations office in Lusaka, Zambia, housing its technical staff and a small administrative and technical support office in West Perth, Western Australia. The company has just cut back exploration activity on its wholly-owned projects, but is still fully-funded through various joint ventures with major players including Rio Tinto and Glencore. The company is proposing a major \$13 million capital injection from ASX-listed Astron Group.

Market Capitalisation	N/A
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