

Mining News

Gold takes centre stage in IPO arena

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GOLD has taken the lion's share of company floats registered on the Australian Securities Exchange so far this year.

Company	Ticker	Date of Listing	Issue Price (c)	Open price (c)	% move on listing	Closing Price (7 July) (c)	% move on last price
Doray Minerals	DRM	Feb-08	25	20	80%	69	276%
Canyon Res.	CAY	Jun-15	20	27	135%	28	140%
West African	WAF	Jun-11	20	22	110%	24	120%
Siburan Res.	SBU	May-18	20	20.5	103%	21.5	108%
Mungana	MUX	Jun-10	94	94	100%	94	100%
Renaissance	RNS	Jun-11	20	25	125%	19	95%
Vantage	VGO	May-27	40	40	100%	35	88%
Wild Acre Metals	WAC	Mar-05	20	22.5	113%	17	85%
Viking Ashanti	VKA	May-12	30	28	93%	23	77%
Aphrodite Gold	AQQ	Jul-07	20	17.5	88%	14	70%

Of the 21 IPOs listed this year on the ASX, 10 are in the gold space, or have gold as the main focus and collectively raised \$A131.47 million.

They include Doray Minerals, Wild Acre Metals, Viking Ashanti, **Siburan** Resources, Vantage Goldfields, Mungana Goldmines, Renaissance Minerals, West African Resources, Canyon Resources and Aphrodite Gold.



The first to list on February 8 was Doray Minerals, opening with a price of 19.5 cents before closing its first day of trade at 22c.

The company had been due to begin trading on December 18 last year, but a slow uptake of the offer forced it to delay the closing date until early February.

Formed by ex-Avoca Resources geologist Allan Kelly in August last year, its listing followed a \$4.7 million IPO.

While its first day on the bourse was rather lacklustre, spectacular gold hits from its Andy Well prospect within its Meekatharra North project in the Murchison region of Western Australia at the end of March sent its share price soaring.

Shares in the company on the day of that announcement – March 30 – were up 148% or by 32.5c to 54.5c. Today the company is trading at around 69c.

The gold hits included 12m at 21.47 grams per tonne from 16m including 8m at 29.97gpt, 8m at 62.53gpt from 60m including 4m at 120.71gpt, 9m at 42.97gpt from 45m including 3m at 114.52gpt from 48m and 3m at 5.22gpt from 72m.

The only companies to list at a premium were West African Resources, which opened its first day of trade on June 11 at 22c before closing at 24c, Mungana Goldmines, Renaissance Minerals and Canyon Resources.

The largest float was the Kagara gold spin off Mungana Goldmines, which raised a whopping \$57 million. It closed its first day of trading on June 10 at its initial public offer price of 95c.

Proceeds from the IPO will enable Mungana to undertake a \$36 million exploration and feasibility studies over the next 18 months. It already has earmarked a 100,000m drilling program at its flagship Mungana and Red Dome gold properties in Queensland.

Another winner was West African Resources, which closed its \$6.5 million IPO heavily oversubscribed in mid-May.

Its main asset is the Boulsa gold project in Burkina Faso where drilling last year returned 4m at 17.78gpt gold. The company also has applied for exploration permits over the Marandet uranium project in northern Niger.

More recently, it has been granted a project area, along strike from Boulsa, incorporating a number of high priority structural targets.

It also has returned further high-grade hits from the Fatmatenga prospect at Boulsa. These included gold results of 8m at 10.37gpt from 56m including 1m at 58.3gpt from 57m, 3m at 3.42gpt from 8m, 6m at 3.14gpt from 17m, 6m at 2.46gpt from 28m and 3m at 4.72gpt from 26m.

Canyon Resources, which listed on June 15, had a stellar start to ASX life, closing at a 25% premium to its issue price after raising \$3.5 million in its IPO.

The Perth-based gold explorer opened at 27c and hit an intraday high of 28c before cooling to close at 25c with more than 308,000 shares changing hands by the final bell.

The company's strategy is to explore gold projects in the historical Cue gold fields in WA's Murchison region, where previous exploration has returned high grade hits.

Another newcomer closing its first day on the market at a premium to its IPO price was Renaissance Minerals.

The company closed its IPO heavily oversubscribed, taking in \$2 million more than its initial \$5 million target.

Chaired by local Perth business identity Rick Hart, the company aims to bring WA's historic Radio Gold mine back into production.

Renaissance had a healthy 3.3 million shares change hands on its first day of trade, with the company closing 5c over its 25c float price.

Of the others, Wild Acre Metals opened on March 5 at 22.5c before closing at 20.5c after raising \$2.5 million via its IPO.

A similar story emerged for Siburan Resources which opened at 20.5c on May 18 before closing the day only slightly down at 20c after raising \$3 million.

Vantage Goldfields debuted on the bourse on May 27 at a 15% discount to its 40c issue price.

The company raised \$20.4 million in its IPO and completed a \$10 million placement in March.

Its assets include the Lily underground mine in South Africa, where it aims to expand production to 35,000ozpa from the current level of about 10,000ozpa. Vantage also has the historic Barbrook and Worcester projects.

Viking Ashanti was another that did not have the most positive of debuts on the ASX, closing at an 8% discount on its first day of trade on May 12. The Ghana-focused gold hopeful, which raised \$8 million in an IPO, opened at 28c, a 7% discount to its 30c issue price, before closing the day at 27.5c.

Gold producer Resolute Mining is its major shareholder with a 33.2% stake. The junior is drilling on its 500,000oz Akoase project in Ghana, targeting 1Moz in resources.

The most recent listing was Aphrodite Gold which raised \$9.25 million, but had a disappointing first day of trade yesterday among a broader sell off within the gold sector. It closed at 15c, 5c below its 20c issue price.

The company was formed to purchase the Aphrodite gold prospect near Kalgoorlie-Boulder in WA, last August. It purchased the prospect from Apex Minerals for \$7.5 million on September 25 and launched its IPO some three days later.