



■ RESOURCES FLOATS SOAR ON DEBUT

Stunning start for two

Tony Grant-Taylor

THE new year's first floats hit the stock exchange boards yesterday and investors in buoyant mood sent their shares soaring.

Queensland Gold and Minerals opened at 26¢ and touched a high of 39¢ before its stock settled at 32.5¢ for a gain of 62.5 per cent on a volume of close to 1.5 million shares.

The company had raised \$4 million — including \$1 million in oversubscriptions — in an issue of shares at 20¢.

Investors in Prime Minerals did even better, perhaps because the explorer mentioned uranium as one of its West Australian targets in its prospectus.

Prime shares opened at 40¢, a 100 per cent premium to their 20¢ issue price in the group's \$2.2 million float.

The shares went on to close at 58¢ providing a 190 per cent gain for some of the stags who decided to quit the company on the first day with volume reaching 1.3 million

shares.

IPOs last year produced an average share price gain of 43 per cent, substantially higher than previous years, according to a survey by accounting firm Deloitte.

But the average was boosted by exceptionally high returns from resource IPOs, which accounted for eight of the 10 best performing IPOs during the past year.

Prime has five tenement areas across Western Australia, including the Lake Mason uranium prospect about 40 kilometres south of BHP Billiton's Yeelirrie uranium deposit.

The company plans to spend just under \$1 million on exploration at Lake Mason and the Star of Mangaroon gold project over the next two years.

The junior explorer also holds areas prospective for iron ore and vanadium.

Exploration projects of Queensland Gold and Minerals, which is headed by Adrian Day, include eight in historical and contemporary gold provinces in Queensland and one in northeast Victoria.

Initial drilling will begin at the

company's Eveleigh mine in the George Town area in northern Queensland on January 14.

Work is to start on the company's other projects — including Top Camp, 40 kilometres from the Rocklands Project owned by Cudoco — subject to weather and availability of drill rigs and other resources.

The company also has a joint venture with Oxiana in the Warroo project near Texas in southeast Queensland.

Oxiana has completed soil and rock chip sampling at the site, which extended the known area of mineralisation associated with the 1980s open pit workings at Warroo.

Queensland Gold said Oxiana reported "highly encouraging results" from its sampling program with rock chips assaying between three and 30 grams per tonne gold collected in an area not previously sampled to the southwest of the historic workings.

Geophysical survey results were expected back this month, enabling a drilling program for the Warroo project to be designed. —with AGENCIES



We'll drink to that: Queensland Gold and Minerals company secretary John Haley, left, and chief executive Adrian Day celebrate their ASX listing yesterday. Picture: JODIE RICHTER