

SE News
HD **Capital drive falls short**
BY JENNY ROGERS
WC 532 words
PD 27 May 2014
SN Gold Coast Bulletin
SC GCBULL
ED GoldCoast
PG 20
LA English
CY © 2014 News Limited. All rights reserved.

LP

INVESTORS continue to show a lack of love for junior miners, with an attempt to raise funds by **Gold Coast** explorer Coppermoly falling \$5 **million** short of its target after wary shareholders steered clear.

Analysts said Coppermoly's plight was symptomatic of what some have dubbed a **mining** depression, with even the majors finding financing tough.

TD

Coppermoly had sought to raise \$5.2 **million** in a rights issue but shareholders showed a distinct lack of interest and the issue reaped just \$202,382.

Just under half came from managing director Maurice Gannon and fellow director Ben Faulkner, who each poured \$80,000 into the placement, taking up their full entitlements.

It came on the heels of a shortfall in a placement to professional investors, which brought in \$240,000 less than the \$500,000 sought.

Nathan Blair, **Gold Coast** manager of Ord Minnett said: "Investors have completely lost their appetite for small **mining** companies after witnessing a savage sell-off in explorers across the board.

"**Gold** has fallen 30 per cent and **copper** 15 per cent due to a slowdown in growth from **China** creating concerns about the excess property supply and demand for computer chips globally.

"Attracting fresh capital is extremely difficult in this risk-averse climate." Mr Gannon said the result was a "disappointment", and proof that investors remain gun-shy of junior miners.

"It is absolutely tough for juniors right now," Mr Gannon said. "The original chairman of the Coppermoly board, Bob McNeil, said in his 55 years in the industry he has never seen it so tough." Mr Gannon said the **company** had been left high and dry when its planned underwriter bailed and took his cash elsewhere, after which spooked shareholders who had initially indicated their support followed suit.

"We went into this with agreements from certain parties that never eventuated," he said.

The shortfall has left Coppermoly unable to meet a \$1.3 **million** payment to global **mining** giant Barrick.

Coppermoly late last year regained control of three key PNG **mining** tenements in a \$5 **million** deal with Barrick, which gained a majority **stake** through a farm-in agreement.

Coppermoly had also planned to use the \$5.2 **million** to undertake further exploration activity at its tenements in west PNG and to upgrade plant and equipment.

Mr Gannon said the explorer now planned to tap other funding sources and possibly take on an **equity** partner through a farm-in agreement.

He said despite the setback the **company** would “ride out the downturn”. “This shortfall is problematic but it doesn’t alter our agenda; we could wave the white flag or keep getting on with it – we plan to get on with it,” he said.

“Shareholders weren’t willing to put their hands in their pockets so we will have to look to other funding sources and while the market is tough, we don’t think the goal is unachievable.

“We are actually in a relatively healthy state compared to some of our peers, we have a great resource and are confident of the **company**’s future.” “It is not desperation stakes yet, we are keeping up the good fight.”

CO copmol : Coppermoly Limited

IN i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying | i2114 : Copper Ore/Nickel Ore Mining

NS c171 : Share Capital | c17 : Funding/Capital | cactio : Corporate Actions | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB News Ltd.

AN Document GCBULL0020140527ea5r00011