

FINANCIAL REVIEW

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HD **Chinese copper** junior Emperor Range targets ASX
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Copper exploration hopeful Emperor Range Group is the latest **Chinese company** to take a tilt at raising money through a listing on the Australian Securities Exchange for a highly speculative, early-stage resource project.

The entrepreneur behind Emperor Range Group is Chen Yuhuan, a government lawyer turned mineral prospector, who wants to buy two unproven tenements in the Xinjiang Province of north-western **China**.

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"Under the **Chinese** system of resources classification the resources have been classified as discovered," Mr Yuhuan said. However, there is no classification yet on the size of the potential resource.

Mr Yuhuan is trying to raise \$4.5 **million** through floating 25 per cent of his new **company** in an initial public offer on the ASX. If the offer is successful, at listing, Emperor Range Group will have a market capitalisation of \$18.2 **million**.

Shares are priced at 20¢ apiece. Novus Capital is acting as **lead** arranger and broker on the offer. A minimum \$1 **million** is available to be allocated to on-market bidders through the on-market bookbuilds service. The minimum parcel for investors to participate is \$2000. The updated offer is scheduled to close on November 3, with a target listing date of November 11.

An original prospectus targeted an early September float but the offer had to be extended due to a lack of interest. Australians recruited

Of the money raised, almost \$1 **million** will go towards listing costs, while \$1.8 **million** is need to complete the **purchase** of the two prospective tenements: Kyzyl-Leto **Copper** and Wutonggou **Copper/Gold**.

It is estimated that the rest of the capital raised will fund early exploration and fund the cost of applying for a **mining** licence on the Kysl-Let project. Kyzyl has an exploration licence area of 13.05 square kilometres and Wutonggou has an exploration licence area of 18.70 square kilometres.

Emperor Range Group estimates the money raised in the IPO will fund its working capital needs for two years.

If an exploitable resource is found, the **company** intends to sub-contract the **mining** of the **ore**. Mr Yuhuan has recruited two Australian non-executive directors, Mick Billing and Brendan Connell.

The Emperor Range deal is the latest in a string of **China**-backed junior resource deals to target the ASX in the past year with mixed results.

The December listing of U&D**Coal** was one of the worst-performing and controversy-plagued floats of 2013. After that, planned listings from HuaYi Resources and **China Mining** were both shelved.

After a few false starts, Fifth Element Resources finally got its IPO away in May, and since then has perplexed market watchers with a 3880 per cent rise.

CO ergauz : Emperor Range Group Ltd.

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

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