



## **ASX newcomer Merino & Co runs hard on Melbourne Cup week**

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**Highlight:** This week's Bulls N' Bears Runner of the Week is ... Merino & Co. The quality clothing and accessories business shot up 650% following its ASX debut last week.

### **Body**

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What a week of racing it's been... it kicked off indubitably with the race that stops the nation - the Melbourne Cup. After a day of frivolity and fancy dress another race that stopped a nation was on for the White House - and just like that, he was back! America's 45th President, Donald Trump now adds 47 to his mantle piece of political trophies causing western markets and energy stocks in particular to surge. And now, with those two trivial races in the rear vision mirror, the real race for the Bulls N Bears ASX Runner of the Week has been decided with line honours taken by Merino and Co.

#### **Merino and Co. up 650% from listing day.**

The ASX's newest player Merino & Co stole the spotlight from the racing and political types this week when punters piled into its float, pushing its stock up to a high of \$1.50 from last Friday's 46.5c close, representing a gain of some 222 per cent.

Perhaps more remarkably, the company only floated on the ASX last Wednesday at 20c, giving it a crazy gain for the two week period of 650 per cent from listing price to intra-week high.

Merino & Co, just like Bulls N Bears, is based in Perth's Osborne Park, however, unlike Bulls N Bears, it has lots of Chinese looking names scattered across its share register.

Its branded lifestyle clothing and accessories business hit the boards last week after raising \$6.35 million at 20c per share in an initial public offering (IPO).

The 650 per cent surge in share price with no corresponding news in the market earned management a glowing "please explain" from the worrisome overlords at the ASX.

Company management batted the "please explain" away with a positively vibed explanation about all the good publicity the float had received. That didn't stop punters from stripping almost two thirds of its share price away however when it hit 56c a share on Thursday.

The roller-coaster was working overtime the very next morning when Merino & Co's stock more than doubled to hit \$1.27 the next day before closing out the week at \$1.05. How exhausting...

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Merino and Co sell wool apparel and accessories, largely featuring Merino wool, to both Australian and international markets. 66 per cent of its \$7.5m revenue in FY23 came out of China.

Someone out there has big plans for this company that was worth \$55m at Friday's closing price of \$1.05, representing a PE ratio of 162 times its net profit before tax of \$338,853 in FY23 - a ratio that Apple and Google could only aspire to!

### **AuKing Mining up 133 per cent**

Taking second spot on the Bulls N Bears Runners of the Week podium this week is AuKing Mining which shot up more than 133 per cent to a high of 0.7c per share this week on news the company got its hands on some highly sort after Saudi Arabian gold licenses.

Management says its Shaib Marqan gold project was secured in conjunction with Saudi Arabian partner Barg Alsaman Mining Company (BSMC), a member of the Segia Gulf Group, a large Saudi Arabian group that has more than 40 years of operating experience in the Kingdom, predominantly in the construction sector.

The company says Shaib Marqan is significantly underexplored and lies just 100km to the south-east of the Al Amar gold mine which produced nearly 30,000 ounces of gold in 2022 for Saudi outfit Ma'aden Gold.

AuKing subsequently released 50 vein and wall-rock samples from the project that came in at an impressive average of 5.8 grams per tonne gold with a peak sample boasting some 40g/t gold.

The company will now work with both the Saudi Ministry of Mineral Resources and its local Saudi partner BSMC, to finalise a formal grant over the Shaib Marqan exploration license set to be completed in the coming few weeks.

Here at Bulls N Bears we love hearing about junior ASX-listed companies jumping into bed with Saudi's that have deep pockets - and we really love 133 per cent price hikes.

### **Ordell Minerals up 102 per cent**

Gold hopeful Ordell Minerals took out Runners of the Week bronze this week, flying up more than 100 per cent after wide-spaced reverse circulation (RC) drill results from its Barimaia gold project near Mt Magnet unveiled shallow, high-grade gold intersections across a prospective strike length of more than 1km.

The company touched 44.5c per share briefly from a low of 22c at last week's close on near-surface intercepts that ran some 9.62g/t gold over 4m and another going 2.52g/t gold for an encouraging 29m in the primary hard-rock mineralisation.

The Barimaia project is a joint venture (JV) with WA's latest gold major Genesis Minerals and only recently hit the ASX-boards following Ordell's \$6 million IPO back in July of this year.

The company says drilling is ongoing at the project testing some 2.5km of prospective strike at Barimaia, which is located a convenient stone's throw away from Ramelius Resources' Mt Magnet gold operations in the Murchison region of WA.

### **Quickstep Holdings up 86 per cent**

Our final runner for the week is Sydney-based tier-1 defence supplier Quickstep Holdings who piled on 86 per cent for the week.

Quickstep - Australia's largest independent aerospace composite business - experienced an unexpected off-market takeover bid from none other than its largest customer ASDAM Operations for 40c in cash per share.

ASDAM was subsequently snubbed by Quickstep who suggested the \$28 million takeover offer was pennies on the dollar for the real value of the company. Punters, sniffing a takeover tussle then piled into Quickstep, propelling its stock from 22c at last week's close to a high of 41c on Friday.

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Quickstep also updated the market earlier on the successful finalisation of key pricing and product volume negotiations with its Tier-1 defence customers.

The company said negotiations with defence suppliers, the likes of Lockheed Martin and Northrop Grumman, were successfully secured for the next few years and should result in appreciably increased profitability for all participating parties.

This has the makings of an epic takeover battle and here at Runners of the Week we like a good ringside seat. Quickstep has now brought in heavyweight counsel for a bit of biff with ASDAM, albeit it has not completely closed the door to another offer - presumably one that is a little loftier than ASDAM's first pass.

Is your ASX-listed company doing something interesting? Contact: [mattbirney@bullsnbears.com.au](mailto:mattbirney@bullsnbears.com.au)

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