

# Desert Metals hopeful of fertile ground for drilling

**SPINIFEX**  
STUART MCKINNON



It's clear the junior sector is on a tear when an unlisted player sparks a nearology rush before even making a discovery.

Desert Metals began pegging ground 120km north-west of Meekatharra about two years ago after identifying that the geology of the area was similar to the ground which hosts the famous Nova-Bollinger nickel-copper deposit, now mined by IGO.

While Nova lies on the south-eastern margin of the sprawling Yilgarn Craton,

Desert Metals' Narryer project sits on the north-western edge of the same shield.

Its ground also hosts mantle-tapping geological structures and previously unmapped mafic-ultramafic intrusions typical of nickel-copper sulphide deposits.

However historical exploration in the area by Aurora Minerals, Western Mining Corporation and others has focused primarily on iron ore and chromite.

Desert Metals has already begun preliminary work on its 1600sqkm landholding including the analysis of historical data and new electromagnetic surveys which

have identified several strong conductors, offering a swag of drill-ready targets.

The company's early work and subsequent promotion has led other players, including Chalice Gold Mines and Buxton Resources, to snap up ground in the vicinity.

Chalice's recent Julimar nickel-copper-palladium discovery along the western edge of the Yilgarn Craton near Perth has sparked further interest in the area.

Desert Metals this week lodged a prospectus to raise \$5m via an initial public offering ahead of an anticipated ASX listing in the middle of next month.

Lead manager Morgans is

already experiencing strong interest, meaning the modest IPO is likely to be well oversubscribed.

The demand highlights renewed investor interest in greenfields exploration after several recent high-profile discoveries.

Desert Metals founder and managing director Rob Stuart says the success of companies like Chalice with Julimar has highlighted that a lot of value can be realised in a very short period if the right mineralisation is intersected.

Dr Stuart, a geoscientist who has 25 years of experience around the world including a five-year stint with BHP, will emerge as the company's

biggest shareholder post-IPO with a stake of about 19 per cent.

Mining entrepreneur Brian Rodan will be the next biggest with an 18 per cent holding.

The founder and former boss of Australian Contract Mining before it was sold to Westgold in 2017 is fresh from a successful ASX debut with New Zealand-focused Siren Gold.

The stock listed at a 66 per cent premium to its 25¢ issue price last month and closed up 12 per cent yesterday at 54.5¢.

Desert Metals will have 55 million shares on issue with a market capitalisation of \$11m upon listing, based on an offer price of 20¢ a share.

Its ASX code will be DM1.