

Duke Exploration launches IPO with goal to be 'smarter' in finding opportunities

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October 8, 2020



The copper-gold focused explorer is seeking to raise \$8 million via the issue of 32 million new shares at \$0.25 each.

Copper-gold focused Duke Exploration is the latest initial public offering (IPO) to come to market based on brownfield projects with long histories.

With projects inland from Mackay and near Rockhampton in Queensland, and in New South Wales, the company — which will trade under the ticker 'DEX' — is seeking to raise \$8 million by issuing 32 million new shares at \$0.25 each.

The IPO, with Morgans Corporate as the lead manager, is scheduled to close on 4 November. It is not underwritten.

According to Duke's prospectus, "many mineral regions in Australia are perceived to be mature exploration provinces, with the most obvious ore bodies already discovered and mined".

"In Duke's view, the onus is now on new explorers such as Duke to be smarter in their identification of opportunities," it said.

The company plans to achieve this by combining government-funded mineral system research and precompetitive data with computer-based data analytical techniques.

It said this will offer new, effective ways to identify opportunities typically not recognised by most exploration strategies.

Flagship Queensland project with long history

Duke Exploration comes to the market with three projects, of which the flagship is located 130km southwest of Mackay in Queensland.

The focus is the historic mining ground at the Bundarra project, including the site of the old Mt Flora mine and two associated tenements, Duania and Waitara.

In the 1800s, the Mt Flora mine was Australia's highest-grade copper producer.

The company views it as a near-term mine development opportunity, according to Duke chairman Toko Kapea.

“Our Mt Flora prospect is at a stage where drilling can start immediately on completion of listing, with the prospect of results in the first year after the company lists,” he said.

A smelter operated at Mt Flora from 1879 until 1909, at which time it was closed due to falling grades.

Recent drilling and advanced ground surveys have identified five ‘drill-ready’ targets.

Geophysical surveys have identified a strike potential 1.3km in length.

The Duania prospect, under application, joins Bundarra and covers the potential down-dip extensions of Bundarra.

Waitara, also under application, is 20km northwest of Bundarra.

Historic drilling at Waitara from the 1970s and 2000s returned several broad zones of low-grade copper-molybdenum mineralisation.

Gold returned in earlier drilling

The second Queensland project, Prairie Creek, is 120km southwest of Gladstone and is prospective for porphyry copper-gold-molybdenum, according to the independent geologist's report.

Past exploration returned drill assays including gold, with one intersection over 5m at 2.11 grams per tonne gold. There are also soil anomalies and outcropping epithermal veins, some of which remain untested by drilling.

The area of known veining is greater than 85m wide with a strike of more than 450m in the area previously drilled.

Red Hill on Lachlan Fold Belt

The company's NSW project, Red Hill, is located about 70km northwest of Canberra and is targeting porphyry copper-gold mineralisation, with known copper-lead-zinc and gold-silver.

Duke has a joint venture at Red Hill with Emmerson Resources (ASX: ERM).

The main deposit is the site of the old Red Hill mine, which produced gold and copper between 1881 and 1889.

Several companies have explored in the area in recent decades with Shell Australia reporting one intercept of 2m at 16.1g/t gold in the early 1980s.