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IPOs not alone in raising fortunes

■ Mark Pownall

WHILE some of the resources sector's IPOs did extraordinarily well in 2010, there were plenty of companies already on the ASX that outperformed the best of the newcomers.

According to Gresham Advisory Partners research, at least 10 companies grew their market capitalisation by a greater factor than that of the best performing IPO, Doray Minerals' 625 per cent.

By comparison, the market capitalisation of Miles Kennedy's Resource & Investment jumped 5,575 per cent and its share price leaped 2,175 per cent as it climbed from 5 cents per share at the start of 2010 to finish the year at \$1.16.

Now a copper-gold explorer focused on Western Australia, Resource & Investment has been listed for a decade and was previously known as Namakawa Diamond Company. Mr Kennedy has a beneficial interest in nearly 18 million shares and 1 million options exercisable at \$1 each.

Resource & Investment's 2010 performance, which earned it at least two speeding tickets from the ASX over the rapid rise in its share price, was followed by Bathurst Resources' growth of 4,241 per cent, with share price growth of 920 per cent.

Other strong market capitalisation performers were Aspire Mining, Equatorial Resources, Beadall Resources, South Boulder Mines, Jupiter Mines, Coalspur Mines, Intrepid Mines and Ampella Mining.

In share price terms, five compa-

nies outperformed the best IPO. The stock value of Resource & Investment, Equatorial, South Boulder, Bathurst and Aspire all increased by more than 750 per cent.

Gresham's Darren Martin said changing composition and rising entry value for the investment bank's Group 150 ranking of the top ASX-listed minerals companies underlined the performance of the sector for the past 12 months, even with the disruption of the mining tax debate.

The market value of the Group 150 was up more than 16 per cent for the 12 months ending December 31.

The entry point into the Group 150 was extended during the year, with a market capitalisation of \$132.8 million being the new threshold, up 21 per cent in just one month.

The Gresham report reiterates the views of leading brokers in last week's *WA Business News* capital raising survey that the year finished strongly in the resources sector.

The market had rebounded from the global financial crisis in April but was subdued for months after the surprise announcement of a Resource Super Profits Tax in the federal budget in early May.

Yet to come into force, the tax was revised to exclude junior miners with profits below \$50 million.

Corporate advisers said WA-based companies benefitted from renewed interest in the small- and mid-cap sectors emerged as speculative investors returned to the market.