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CASHING UP

Juniors to hit investors for \$80m to fill coffers

I Kate Emery

Tin rattling from WA's junior resource sector has gone into overdrive, with another five companies yesterday announcing plans to tap investors for nearly \$80 million between them in a bid to cash up for Christmas.

Leading the charge was West African gold hopeful Papillon Resources, which is understood to be raising about \$22 million at 55¢ a share through Argonaut and Hartleys. Shares in the explorer are up 33 per cent since the start of the month alone.

Fellow gold explorers Manas Resources and Doray Minerals are raising \$11.5 million and \$18 million respectively to advance their projects in the Krygyz Republic and WA's Murchison region.

Doray's raising, through Shaw Corporate Finance, is likely to comprise a \$15 million placement and a \$3 million share purchase plan.

But it is not just the gold players cashing in. Bannerman Resources is working on a \$15 million raising to advance its uranium project, while oil and gas explorer Oilex is thought to be chasing about \$9 million for a drilling program.

Hartleys corporate finance director Dale Bryan said the number of capital raisings in the resource sector had been on the rise for months.

But he said many companies were now rushing to make the "Christmas window" and get cash in the door before the end of the year, when volumes traditionally dry up. "The last month or so has just been crazy for capital raisings full stop," Mr Bryan said.

"The view is that the market has been good for a while and the juniors have been pretty busy. Because there's been a bit of success out there the size of the raisings is getting bigger because there's more follow-up work to do."

The latest batch of raisings have attracted discounts of between 15 per cent and 20 per cent. But anecdotally some in the industry say companies are being approached with offers to raise cash with minimal or no discount, such is the level of interest.

Recent raisings include Sandfire Resources (\$102 million), Atlantic (\$55 million) and Noble Mineral Resources (\$62 million).