



# Demand hot for latest gold, nickel float Errawarra

## SPINIFEX STUART MCKINNON



Errawarra Resources is the latest initial public offering to fly off the shelves by presenting a convincing exploration story around WA gold and nickel.

Lead manager Euroz Hartleys closed the offer just two hours after opening it on Thursday, with investors bidding for \$20m worth of stock in just a \$6m raising.

Besides the buoyant mood in the junior sector, Errawarra has compiled an intriguing portfolio of projects.

And the company itself is a bit different from your average

IPO. Errawarra has been an unlisted public company since 2012 when it was spun out of another explorer Hannans as a manganese hopeful focused on the East Pilbara.

When the manganese price crashed, Errawarra pivoted to become the developer of a technology that converts fertiliser muriate of potash into higher value sulphate of potash.

Replacing the energy-intensive Mannheim process, which produces unwanted hydrochloric acid as a by-product, the invention was smart, but not commercial — at least not in Australia.

So the company's board decided 18 months ago to pivot back to what it knew: mineral exploration in WA.

Errawarra has since struck a deal to farm into a greenfields nickel project in the Fraser Range, just 30km south-west of IGO's Nova mine.

The company can secure up to a 70 per cent stake in the 100sqkm landholding as part of a staged scrip deal with Gibb River Diamonds director and former Ashton Mining exploration manager Tom Reddicliffe.

The company has engaged nickel specialist Bill Amann, of Newexco, to manage exploration at its Fraser Range project with electromagnetic surveying to begin on Monday.

Errawarra will also farm into a gold project 70km north-east of Kalgoorlie held by Tom Price-based planning engineer

for Rio Tinto, Greta Purich. Under the terms of the deal, Errawarra can earn up to 80 per cent of the Binti Binti project by spending \$500,000 within two years, with Ms Purich retaining 20 per cent and being free carried to a decision to mine.

Ms Purich — a geologist, mining engineer and commerce graduate — will also join Errawarra's board as a non-executive director.

Binti Binti gives Errawarra drill-ready targets, which the company's executive director Damian Hicks says a rig will begin work on today.

The company's third project, Errabiddy, lies 200km north-west of Meekatharra on the north-western margin of the Yilgarn Craton.

It's a region in which the soon-to-list Desert Metals sparked a nearology play, even before drilling a hole.

The pegging rush has been prompted by the theory that the geology of the area is similar to that of the Nova nickel deposit on the south-eastern margin of the Yilgarn Craton.

It's an idea that gained further currency with Chalice's Julimar discovery on the western margin of the same shield.

With just 39.5 million shares on issue post-float, Errawarra's capital structure will be about as tight as you'd want it.

The company is expected to list next month at an issue price of 20¢ under the code ERW.