



The Weekend West

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Dalaroo could dazzle on debut as nearology play

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Dalaroo Metals is the latest WA base metals explorer to get bowled over in the rush for shares in its initial public offering ahead of an anticipated ASX listing next week.

Local broker CPS Capital easily raised the \$5 million the company was seeking earlier this month, closing the offer early and oversubscribed.

The main attraction for investors with Dalaroo is the company's Namban project, which lies about 80km north of Chalice Mining's celebrated Julimar discovery, and abuts the Koojan project, held as a joint venture between Liontown Resources and Lachlan Star.

Namban was picked up by the privately owned Shenton Resources as a hardrock potash prospect in 2015. In 2018, the company began developing drill targets based on magnetic anomalies it had encountered on the ground.

But the discovery of the Julimar nickel, copper and palladium deposit in April last year set the entire region alight and prompted the shareholders of Shenton to seek a public listing for the project.

Dalaroo plans to conduct ground and airborne electromagnetic surveying at Namban over the next few weeks with a follow-up drilling campaign scheduled for November.

Besides the base metals prospectivity of Namban, Dalaroo notes its 237sqkm north-south running tenement package lies just 10km east of Liontown's March gold

hit of 44m at 1.6g/t at its Moora project. Namban's eastern boundary also lies adjacent to the prospective Mallory anomaly at Koojan.

Liontown's Moora project and Koojan joint venture will be spun-out into a new listed entity named Metals 260 next month,

which is likely to bring an even stronger focus to the district.

Dalaroo's second project, Lyons River, previously held by the privately owned Serena Minerals, lies about 50km north-east of Gascoyne Junction and is prospective for lead, zinc and copper.

Serena has already spent \$4m on exploration at Lyons River over the past four years, with historic, first-pass, shallow drilling encountering some low-grade

sulphide mineralisation. However the company's modelling to date suggests the ground is prospective for a Broken Hill-style base metals deposit.

Dalaroo is expected to conduct an RC campaign at the largely untested 703sqkm project in November and December.

Shareholders of Shenton and Serena will hold 46 per cent of Dalaroo upon listing.

The company is led by 35-year mining veteran Harjinder Kehal and chaired by another stalwart of the WA mining scene in David Quinlivan.

With a nominal market capitalisation of \$11m upon listing based on its 54 million shares on issue at 20¢, Dalaroo offers investors cheap exposure to the exciting Julimar district.