

Koonenberry Gold New Portfolio Addition Delivers 174 Metres at 1.82g/t Gold

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Koonenberry Gold Ltd (ASX:KNB) has delivered a “company-maker” transformation with acquisitions of gold and copper assets in Australia.

The company will now be a dominant land holder in the sought after Lachlan Fold belt.

This includes strategic landholdings and two active joint ventures with a subsidiary of Newmont Corporation Ltd (ASX:NEM).

The new portfolio additions are scrip-based, with the investment community supporting the decision following a \$4.5 million placement at \$0.01 per share.

Watch the JustStocks Interview with managing director Dan Power as provides details on the acquisitions.

The raising attracted well-known resource participants the Lion Selection Group Ltd (ASX:LSX) and Lowell Resources Fund (ASX:LRT).

Both the acquisition and placement are subject to shareholder approval.

Company structure

The pro-forma capital structure on completion of the acquisitions and capital raising will be 867.8 million shares.

In morning trade shares have climbed 25% to \$0.015, for a market capitalisation of \$13 million.

With cash of \$6.2 million, post-completion of the transaction, the enterprise value is around \$7 million.

Board and management will hold circa 9% of the shares on issue and the top 20 a combined 55.5%.

New England Fold Belt

The belt hosts over a 35 million gold ounce endowment, with multiple Tier 1 deposits, yet remains highly prospective and underexplored.

These include Ravenswood (8 million ounces), Mt Morgan (7.7 million ounces), Mt Carlton (1.2 million ounces), Cracow (2.5 million ounces), Gympie (3.7 million ounces) and Mt Rawdon (2.7 million ounces).

Acquisition; Enmore Gold Project

Koonenberry will acquire the Enmore Gold Project, a highly prospective package of gold and copper-gold projects in New South Wales.

The project is located 20 kilometres from Larvotto Resources Ltd's (ASX:LRC) 1.7 million ounce Hillgrove Gold-Antimony Mine.

Larvotto's market capitalisation has tripled in the past couple of months.

Enmore has historical results including:

Sunnyside:

- 174 metres at 1.82g/t gold from 0 metres; and
- 100 metres at 1.29g/t gold from 107 metres to end-of-hole.

Lone Hand, from underground workings:

- 0.45 metres at 234g/t gold;
- 0.9 metres at 21g/t gold; and
- 3 metres at 15g/t gold.

Acquisition; Lachlan Project

This project comprises 10 exploration licenses strategically located near Tier 1 deposits.

Lachlan has historic results from the Junee joint venture, which Newmont manages, including; 224 metres at 0.19% copper and 0.20g/t gold from 172 metres.

Commentary

Dan Power, managing director, commented:

“We believe this portfolio of 100% owned and JV projects are extremely value accretive for shareholders and have outstanding potential to yield a significant discovery.

“The Enmore Gold Project has some exciting historical high-grade gold assays in drilling, rock chips and underground workings with clear targets, a well understood geological model and a near-term opportunity to rapidly advance with drilling.

“The Lachlan Projects include strategic landholdings in the Lachlan Fold Belt with early-stage results across multiple targets.

“In addition, the Junee Project, in Joint Venture with a subsidiary of Newmont Corporation, has seen a significant amount of work already completed and is 20% free carried.

“Encouraging early-stage drill results point to porphyry Cu/Au discovery potential.”

Source: <https://juststocks.com.au/koonenberry-gold-new-portfolio-addition-delivers-174-metres-at-1-82g-t-gold/>

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