

## Nasivi Delta takes priority in drive for more funds

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Dome Gold is a long way from producing gold from its Fijian tenements but is still confident about the future value of the three sites. **Photo: Peter Morris**

IPO watch

### Jake Mitchell

Dome Gold Mines is looking to raise capital to develop its highly prospective Fijian gold, copper and heavy mineral deposits in a market where the price of bullion is at the mercy of the United States Federal Reserve.

The immediate priority for Dome is its Nasivi Delta Tenement, covering the flood plain and delta of the Nasivi River on Fiji's main island of Viti Levu.

The site's unconsolidated sediment contains heavy minerals, including magnetite and detrital gold.

The plan is to generate cash flow as soon as possible from the tenement, which drilling has shown contains an average heavy mineral content of about 29 per cent.

The capital would then be directed towards Dome's two other Fijian projects, focused on gold and copper.

The company is hoping to raise a minimum of \$500,000 at 20¢ a share, with the ability to raise a total of \$1.5 million.

Under the minimum subscription, new shareholders will account for just 2.2 per cent of the company, which would have a market capitalisation of \$23 million.

Dome is largely controlled by Japanese companies: sesame and soybean company Onizaki Corporation will hold 26 per cent of the company after the initial public offering, while Tiger Ten Investment will hold 17 per cent.

The company said it planned to use the raised funds for exploration and evaluation, working capital and management service fees.

Dome is a long way from producing gold, but the sector as a whole has been on the nose of late due to extreme volatility caused by the perceived likelihood of the Federal Reserve scaling back its monetary stimulus. The central bank revealed last week it would not taper its \$US85 billion (\$90.3 billion) a month in asset purchases in September and gold jumped 4 per cent.

But the precious metal has plunged 20 per cent this year to trade at about \$US1365 an ounce and gold equities have suffered.

Silver Lake Resources has plummeted 75 per cent over the same period, while Perseus Mining has lost 70 per cent of its value.

“People should remember that seven or eight years ago gold was around \$US500 an ounce and people were still making money,” Dome director Andrew Skinner said.

“Demand for physical gold in India and China is quite strong, particularly when the price dips.”

Mr Skinner is an accountant by trade. He is a non-executive director of ASX-listed gold explorer Zamia Metals and was the founding director of Augur Resources, which listed in 2007. Both companies have struggled in recent times in a tough environment for junior resources companies.

Also on the board is geologist Garry Lowder and Tiger Ten director Tadao Tsubata.

Dome hopes to complete the proposed programs on all three of its Fijian tenements within two years, describing the task as “challenging” but “achievable”, if events outside of the company’s control do not cause significant delay.

Since it gained independence in 1970, Fiji has experienced several coups d’état, but they have not resulted in any significant changes to the legislative or regulatory regime in respect of the minerals sector, according to the company’s prospectus.

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