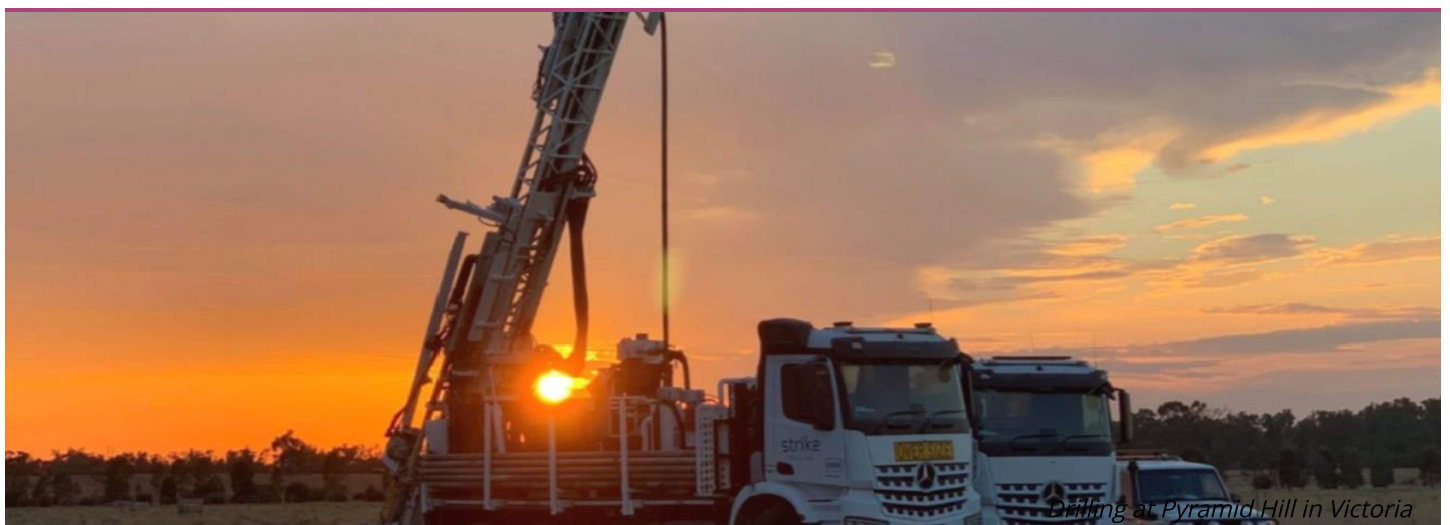


Chalice spin-off formally launched

FALCON Metals this week lodged a prospectus for a A\$15-30 million initial public offering, lead managed by Bell Potter Securities.



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The company is being demerged from Chalice Mining to allow Chalice to focus on its world-class Julimar nickel-copper-PGE project outside Perth.

Comments

Falcon's flagship asset will be the 5000sq.km Pyramid Hill gold project near Bendigo in Victoria.

Share

Kristie Batten



"Before Julimar was discovered, this was the jewel in the crown," Chalice managing director and Falcon non-executive director Alex Dorsch said yesterday.

"It's somewhat unfairly been dealt second place position in Chalice's portfolio."

It was that vast landholding that attracted Falcon chairman Dr Mark Bennett and MD Tim Markwell to the company.

"This ground is pretty well unexplored," Bennett said.

The Victorian government estimates there is still 32 million ounces of gold yet to be discovered under Murray Basin sedimentary cover.

"That is a tantalising number," Markwell said.

If the IPO raises the full \$30 million, Falcon plans to spend \$15.35 million on exploration at Pyramid Hill in the two years after listing.

Eligible Chalice shareholders will receive one Falcon share for every three Chalice shares held via an in-specie distribution and will also be entitled to subscribe for one Falcon share for every 5.8 Chalice shares held via a priority offer.

Falcon will also hold two projects in Western Australia: the Mt Jackson gold project and the Viking project, where Chalice has been earning 70% from Metal Hawk.

Chalice shareholders will be asked to approve the demerger at a meeting on December 3.

Falcon hopes to list on December 22.



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