

## Gold prospector hopes to make jump to gold miner



**Company: Riviera Resources Ltd**  
**Proposed ASX code: RVE**  
**Proposed listing date: September 10**  
**Shares on offer: 12.5 million**  
**Capital to be raised: \$2.5 million**  
**Issue price: 20c**

A LACK of liquidity for small-company shares has seen the rate of new IPOs hitting our market slow to a dripfeed compared with that of recent years.

However, that did not stop Riviera Resources bucking the trend when it listed last week. This West Australian explorer has assembled a portfolio prospective for gold and other base metals, aiming to one day make that “company-making” discovery that would allow it to evolve into a fully fledged miner.

To fund its ambitions, the company aims to raise \$2.5 million, by issuing 12.5 million shares at 20c, which implies a market capitalisation of about \$5 million.

Wise-owl.com analyst Joshua Terlich highlights that this valuation is fair given the risks involved.

“Riviera is a pure ‘greenfield’ play as little exploration work has previously been conducted on its tenements,” he says.

“Nonetheless, the company’s primary asset, the Three Sisters Project, is located in a region known to boast significant mineral deposits and this may be attractive to investors.”

The Three Sisters Project is situated in central-eastern Queensland with road access close by, and is adjacent to ground held by BMA Gold Limited (BMO). “This is significant because the BMO-owned land adjacent contains the 309 and Lone Sister deposits, which together host 275,000 ounces of gold,” Terlich says.

Such proximity to a known discovery should have a positive impact on investor sentiment. However,

Terlich notes that the stock will also be affected by trends in the gold price.

“Over recent weeks, gold has lost some of its shine, retreating from record highs of over \$US1000/oz, despite ongoing uncertainty in global financial markets,” he says. “Therefore, any stabilisation around current levels of \$US800/oz would be a welcome development for Riviera and other gold explorers.”

Exploration milestones are likely to be another factor that will impact the stock after listing. The company has plans to conduct soil sampling on the Three Sisters Project. However, Terlich notes that it has not locked in any dates for the all-important drill program.

“With no drill targets or resource estimates set in place, and the gold price paring back its recent gains, Riviera’s shares may post a weak performance in the near term,” he says. “However, given its reasonable valuation, patient investors may be rewarded should the company strike paydirt in future years.”

