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Laconia backers strike gold in early paper gain

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Investors who backed veteran prospector Denis O'Meara's latest venture, Laconia Resources, were last night toasting an 18 per cent paper profit after the exploration company defied a gloomy bourse to close comfortably above its float price.

Having raised \$6 million in a heavily oversubscribed initial public offering priced at 20¢ a share, Laconia's stock opened at 25¢ yesterday before closing at 23.5¢ to value the explorer at \$16.3 million.

Mr O'Meara, who was awarded an Order of Australia medal for services to the environment, the mining industry and the Pilbara in this year's Australia Day honours list, has played a hand in the float of a range of WA juniors, including Atlas Iron, BC

Iron, Shaw River Resources and Sandfire Resources.

Not surprisingly, investor interest in Laconia, whose focus is on the Gimlet gold project near Kalgoorlie-Boulder and the Mooletar gold asset near Mt Magnet, was strong, helped by the fortuitous rise in the gold price.

Laconia attracted seed investment from Atlas managing director David Flanagan and former Hardman Resources boss Ted Ellyard.

Mr O'Meara retains around a 35 per cent stake in Laconia while managing director Ian Stuart, a one-time geologist and stockbroker, is among the explorer's biggest shareholders.

The float was arranged by Matthew Howison's Emerald Partners.

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