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Financial Times

ZincOx taps into a rich vein

ZincOx, a zinc oxide mining company, is set to start trading on Aim after it raised more than £3m in a share placing. The company is aiming to become one of the world's lowest cost producers of zinc oxide. Page 27

ZincOx seeks to mine a rich vein



New issues

By John Kipphoff

Shares in ZincOx Resources, a zinc oxide mining company, are to commence trading on Aim today, after it raised just over £3m in a share placing.

ZincOx placed 2.5m new shares at 120p each, representing about 15 per cent of its equity, and giving it a market capitalisation of £19.7m.

About 80 per cent of the equity is held by institutional investors, with the remaining shares held by management and retail investors.

ZincOx, set up in 1997, said it was aiming to become "one of the world's lowest cost producers of zinc through a global portfolio of projects".

Andrew Woollett, managing director, said the proceeds would be used over the next two years. "The company will continue to add to its portfolio of world class assets."

ZincOx already has controlling interests in three oxide resources - Jabali in Yemen. Remac in Canada and Torlon in Guatemala, the first two with a combined potential of more than 2m tonnes of zinc metal.

Jabali in Yemen is one of the world's largest oxide deposits, containing an estimated 9.4m tonnes of oxide

ore at a zinc grade of almost 11 per cent, according to the company.

ZincOx has developed a "hydrometallurgical approach" to the processing of zinc, "which permits the production of zinc metal of the highest quality from impure and low grade zinc bearing materials at a lower cost than conventional processes". In a previous private placement in April, ZincOx raised £1.1m at 65p per share.

There are no existing revenues, according to a company representative.

ZincOx was founded by Noel Masson, its executive chairman, a former chief executive of Union Miniere, Europe's largest producer of zinc, and more recently a

director of Reunion Mining.

● Intellexis, a private financial training company, is to gain a listing on Aim next week through a reverse takeover by Time2Learn, its smaller rival, writes Florian Gimbel.

The enlarged group intends to raise £4.53m net through a placing of shares at 0.25p each, valuing the company at £8.9m.

The proceeds will be used to bolster marketing and product development, including the conversion of existing content into internet-based products. Trading will start on December 12.

Time2Learn floated on Aim last November. Its shares were 0.32p on Friday, against an offer price of 1p.



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Recent Issues

| Name | Business | Date of first trading | Latest market cap | Issue price | High | Low | Latest price |
|------------------------|---------------------------|-----------------------|-------------------|-------------|--------|-------|--------------|
| New Millennium Res. | Mining | Nov 26 | £17m | 30p | 30p | 28p | 28p |
| Prestige Publishing | Publishing investment | Nov 28 | £2.8m | 4p | 4.25p | 2p | 2p |
| Gympie Gold | Mining | Nov 28 | £41m | 29p | 30.5p | 28.5p | 29.5p |
| Murgitroyd | Patent attorneys | Nov 30 | £11m | 121p | 140p | 133p | 133p |
| Symphony Plastic Tech. | Polythene products | Nov 30 | £13.8m | 30p | 47p | 35.5p | 46.5p |
| Coffeeheaven | Coffee shops | Dec 03 | £1.9m | 1p | 1.25p | 1p | 1.25p |
| Tricorn Group | Environmental engineering | Dec 05 | £8.8m | 30p | 35.5p | 30p | 34.5p |
| Tissue Science Labs. | Medical devices | Dec 05 | £34m | 146p | 156.5p | 146p | 156.5p |
| Dwyka Diamonds | Mining | Dec 07 | £35m | 40p | 48p | 40p | 48p |

Impending issues

| Name | Business | Sponsor | Issue method | Market debut | Expected market cap. | Issue price | Market |
|--------------------|--------------------|-----------------------|---------------|--------------|----------------------|-------------|--------|
| Cabouchon | Costume jewellery | Grant Thornton | Placing/offer | Dec 10 | £5.4m | 25p | Air |
| ZincOx | Mining | Charles Stanley | Placing | Dec 10 | £20m | 120p | Air |
| Expomedia | Exhibition centres | Charles Stanley | Placing | Dec 14 | £26m | Tbc | Air |
| Telford Homes | Housebuilder | Shore Capital | Placing | Dec 14 | £10m | 50p | Air |
| DDD | 3D software | Old Mutual Securities | Placing | Dec 20 | Tbc | Tbc | Air |
| First Artist Corp | Sports management | Seymour Pierce | Placing | Dec 21 | £27m | 50p | Air |
| Davenham Group | Finance | Beeson Gregory | Placing | Q4 2001 | £40m | Tbc | Mair |
| TripleArc | Online printing | Nabarro Wells | Placing | Q4 2001 | £20m | Tbc | Air |
| Telemedic Systems | Diagnostic systems | Investec | Placing | Q4 2001 | £20m | Tbc | Air |
| Stagecoach Theatre | Drama schools | Beeson Gregory | Placing/offer | Q4 2001 | £10m | Tbc | Air |
| Huveaux | Media shell | Brewin Dolphin | Placing | Q4 2001 | Tbc | Tbc | Air |
| BetOnSports | Online betting | Seymour Pierce | Placing | Q1 2002 | £100m | Tbc | Air |

Sources: FT Research; Digital Look

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END

THE AIM MARKET

Terror has silver lining for investment trust

BY ANDREW JOHNSON ⁴⁹

STEPHEN KOMLOSY, husband of singer Patti Boulaye, has gained unsought benefits twice following the United States terror attacks.

Earlier this year, his investment trust London & Boston Investments, formerly called Cybertec, put money into a business called Avatar Systems, a firm making specialist software for American oil companies.

The sector is now expected to boom following George Bush's insistence — backed by the US Congress — that the US must reduce its dependency on Middle Eastern oil by becoming as self-sufficient as possible.

As part of the move, previously closed areas of Alaska are now being opened up to oil exploration companies — boosting the demand for Avatar's software.

The second instance is the company's investment in a start-up business called Cromax. The firm makes covert surveillance equipment and has won contracts with police forces and the

FACTFILE
LONDON & BOSTON:
 Established 2000
FLOAT: January
ISSUE: Placing and open offer
CONTACT: Matrix

British army. Interest in security products has shot up following the start of the war against terror.

"We've struck it lucky twice," says Komlosy. "Avatar makes a Windows-based product that is a complete package for oil companies — from handling drilling to production to sales to the back office.

"And the security industry is going to boom."

London & Boston is moving from Ofex to Aim in January as part of a long-term plan to become a fully-fledged investment bank.

The company's ethos is to buy into firms where Komlosy and his team feel they can improve by either strengthening management or providing money for

growth. The firm, which has seen the value of its holdings double over the past year, does not invest only in technology companies. It has stakes in Harrell Hospitality Management, a firm specialising in running hotels, and air-conditioning system manufacturer Energy Technique, which supplies Claridges and Hilton hotels among others.

Komlosy says a key part of the strategy is get companies in the London & Boston portfolio working together to mutually enhance their businesses. "We want to be a sort of old-fashioned merchant banking operation," he says.

The company hopes to raise £2 million through a placing and open offer, which will value the company at around £10 million.

The money will be pumped into the businesses owned by London & Boston. But Komlosy says the real reason for floating on Aim is to raise the company's profile and give its shares greater value when negotiating deals. He wants to drive the asset value to £50 million.



CHEER: Komlosy with his wife Patti Boulaye and their daughter Arot

COMING TO AIM

| Name and likely cap | Activity | Timing | Advisers |
|-----------------------|---------------|----------|-----------------|
| ZincOx (£20m) | Zinc producer | Dec 10 | Charles Stanley |
| BetOnSport | Bookmaker | Dec 14 | Seymour Pierce |
| Cabouchon (£5.4m) | Jewellery | Dec 14 | Grant Thornton |
| DDD Group (£35m) | 3D screens | Dec 20 | Old Mutual |
| Wignore Group (£2.3m) | Maintenance | December | Seymour Pierce |

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Daily Mail

⁵⁶ Punters sink £3m into zinc

PASSING the hat round to fund zinc mining in the Yemen may not sound the best investment proposal in current markets.

Yet ZincOx Resources has succeeded in raising £3m and sees trading in its shares begin on Aim today.

It hopes to become the world's lowest cost producer of zinc through projects in countries including Canada and Guatemala. At the placing price of 120p, ZincOx is valued at £19.6m. Zinc prices are on the floor, but the management team ran Reunion Mining before its takeover by Anglo American.