

While most companies are choosing the IPO route as their preferred path to market, others have found success via a backdoor listing.

Diamond explorer Odessa Minerals Ltd debuted on the ASX last month after completing a reverse takeover of AI/IT software development company Fargo Enterprises. Reinstatement to the bourse followed an oversubscribed \$6 million capital raising and a one-in-five consolidation of existing shares.

Odessa becomes just the fourth primary diamond company listed in Australia alongside Burgundy Diamond Mines Ltd, Lucapa Diamond Company Ltd and Newfield Resources Ltd.

Speaking to **Paydirt** following the successful relisting, Odessa chief executive Alistair Stephens said clear gaps were emerging in the niche diamond market post the closure of the famed Argyle mine in late 2020.

“There’s no doubt that diamonds is a tough sector to be in, but if you can find gem-quality diamonds economically, there’s a huge degree of opportunity now within the diamond market,” he said.

“Argyle has taken 8 million carats out the market, so it’s in under supply. But importantly, the fact that Argyle broke the De Beers’ cartel meant it broke a lot of paradigms, at one stage the only diamond you could get was a white diamond. Now you can get them in champagnes, cognacs, pinks, fancy yellows and all kinds of blues, which are the rarest and most expensive.

“In some respects, De Beers got the market wrong and undervalued the colours, whereas the market actually values colours more than whites at the moment. So, there’s a whole new range of marketing opportunities within the diamond market, both in supply as well as quality.”

Odessa has either been granted or applied for 15 exploration licences comprising the Aries, Ellendale, Calwinyardah and Noonkanbah projects across a 2,400sq km tenement package in WA’s



Kimberley region.

Aries, about 300km west of Derby, is the most advanced opportunity in the portfolio with gem-quality diamonds first identified at the project in 1986. A programme of works is expected to be submitted and approved early in the June quarter for maiden exploration to begin following the wet season.

Stephens said the company was looking to develop spatial models for both the alluvial targets at Aries as well as the known diamond-bearing pipes ahead of its first geophysics and drilling programmes.

“There’s a lot of data around Aries, which is non-digital, which we’re collating at the moment into a digital database to do some spatial modelling of where we think the distribution of the mineralisation is,” he said.

“In terms of diamond-bearing material, it’s quite low grade at the surface but increases in grade significantly at depths, so we’re looking now at how we model that and targeting some drilling programmes to identify what we think has been missed.

“Ultimately, the real No.1 target for this year is to have a handful of diamonds to show our shareholders that we’ve actually identified diamonds that are commercially viable.”