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Mining | Gold

## Ibaera Capital ready for deals with WA explorers

 **Stuart McKinnon** | The West Australian  
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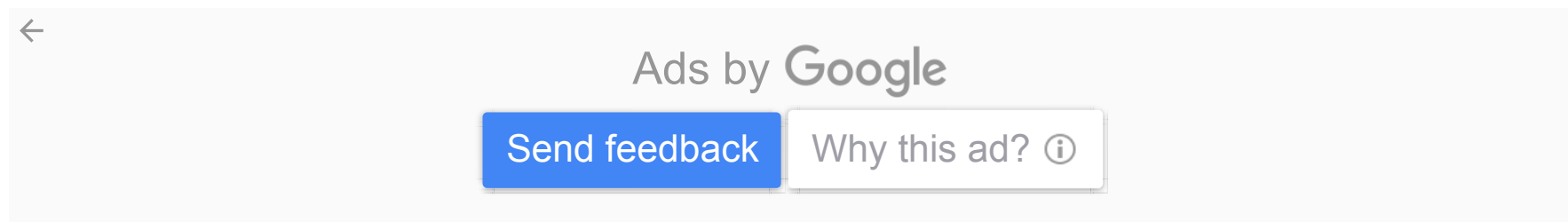


 Chris Alexander and James Wallbank, of Ibaera Capital. Credit: Jackson Flindell/The West Australian

    Perth-based private equity firm Ibaera Capital is primed for deals in the WA exploration sector as it completes a \$US250 million (\$343m) raising from international investors, marking the second fund in its eight-year history.

Founded in 2012 by a group of friends and former colleagues of Fortescue Metals Group, Ibaera is targeting so-called future-facing commodities such as copper, nickel, cobalt, zinc and gold with a focus on projects in WA, Africa, Europe and North America.

Ibaera's strategy is to identify emerging companies in the resource definition phase of their development timeline, take an equity position, add value by completing exploration and feasibility studies and then dilute or exit its investment once projects are shovel-ready.



The firm sees itself providing a niche service in an area where juniors have traditionally struggled to make the transition from explorer to producer.

Ibaera managing partner James Wallbank said the company had a specific focus in the mining timeline, bringing its financial muscle and technical and commercial know-how to the period where it believes it could add the most value.

“All our funding is really about getting companies ready to build, we're not an operating miner,” he said.

“But for every project we get involved in, we want 100 per cent certainty that that project will get built.”

Partner and chief financial officer Chris Alexander said juniors were typically run by exploration geologists, who often lacked the commercial acumen to take the next step after identifying a mineable resource.

“We aim to fill the gap to help them realise the full value of their assets,” he said.

Mr Alexander said Ibaera was determined to remain small and nimble and actively manage the assets it invested in.

“All the research shows that as funds get bigger, the returns drop off,” he said.

“We want to make sure we keep the asset raises to a reasonable level and capture strong returns.”

He said Ibaera had a preference for dealing with local companies, which had only become stronger with the advent of COVID.

“About 70 per cent of the companies we are approaching are within a seven iron of our West Perth office,” he said.

“And they're the companies with management that have good projects that they want to get built.

“They're also those that would rather have 50 per cent of \$300m than 100 per cent of \$10m.”

Ibaera is already in advanced discussions with three Perth-based companies with gold and base metals projects in WA and Zambia.

The company's 2017 fund is already fully invested in two gold projects in Ghana and Serbia.

The \$US64.5m fund has invested \$US40.6m in the Black Volta (formerly Wa) gold project in Ghana which it acquired in a \$32m takeover of Azumah Resources last year.

Ibaera is now eyeing an AIM listing or a trade sale of the asset as part of a sell-down and exit strategy after getting the project to a shovel-ready state.

The company is still working to shore-up its early-stage Rogozna gold-copper project in Serbia, for which it recently reported an initial 8.3Moz resource.

Ibaera has already spent \$US30m on the asset, which it acquired from Canadian mid-tier Eldorado Gold last year.

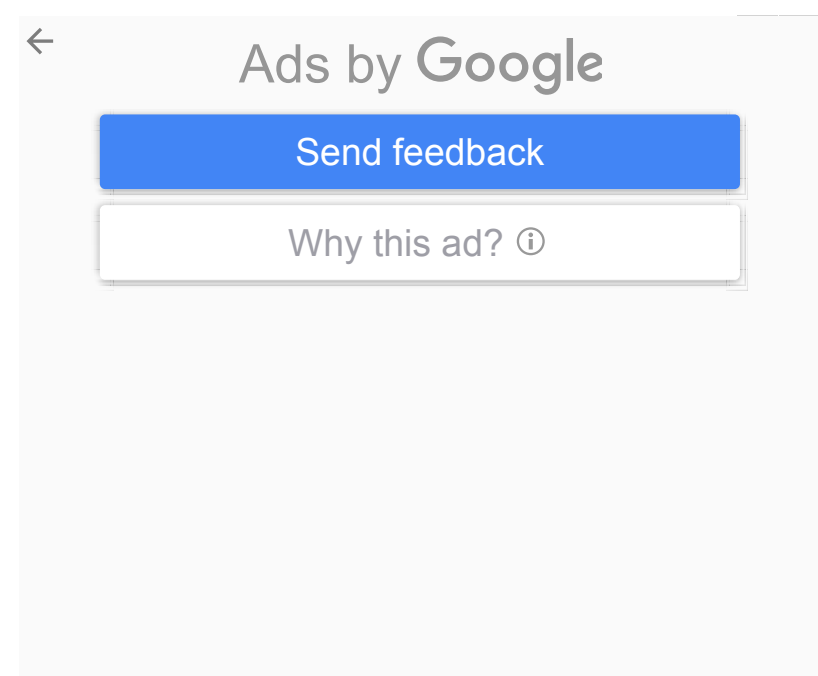
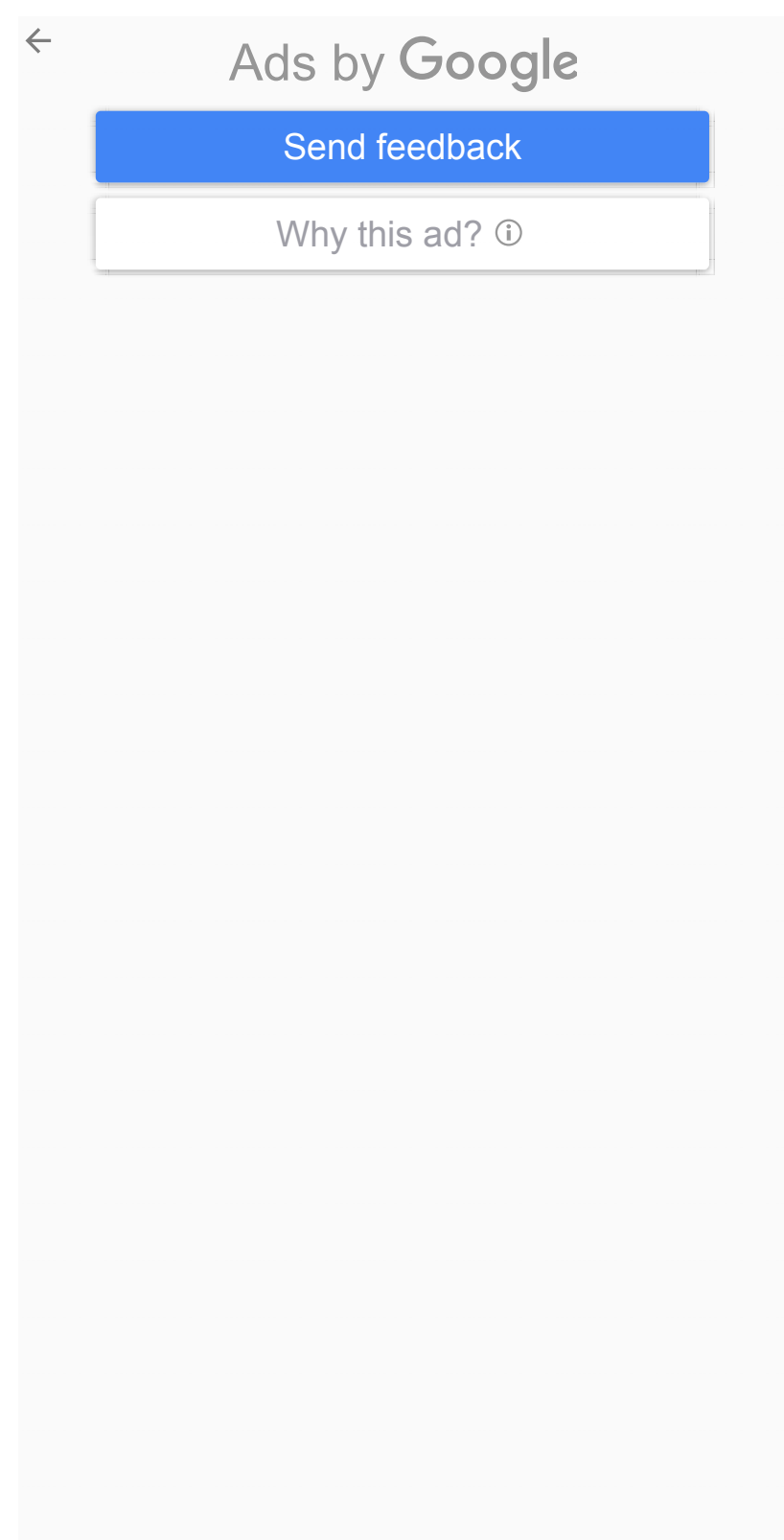
Mr Wallbank said the two projects were good examples of the company's approach.

“We're putting money and people into projects that have struggled historically to get to the point where they actually get built,” he said.

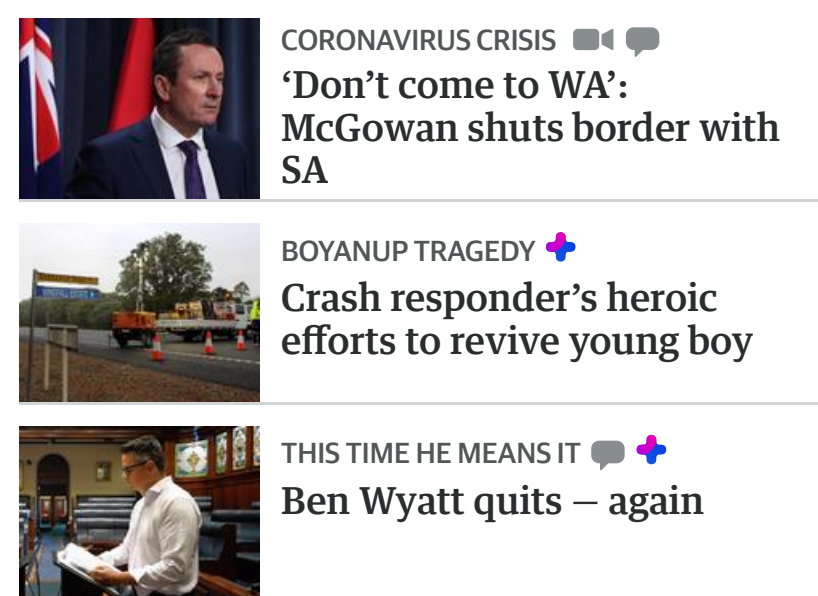
“That's the purpose of the fund.”

Other key personnel at Ibaera are former FMG exploration manager Paul L'Herpinier, renowned mineral geologist Dr Jon Hronsky and former FMG business development manager Peter Hairsine.

Investing in the fund is strictly for institutional investors, family offices and ultra high-net worth individuals with a minimum buy-in of \$US20m.



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