



James Wallbank, managing partner of Ibaera Capital, one of the world's first private equity groups specialising in the minerals required for energy transition.

Backing green-energy minerals projects

Australia's energy transition is being driven by private investors who are putting serious capital behind the raw materials of the world's future energy supply – the likes of copper, zinc, cobalt, lithium and nickel.

Organisations, such as Andrew Forrest's Fortescue Future Industries, the special purpose acquisition company (SPAC) established in July by former Northern Star Resources managing director Bill Beament and former Fortescue Metals chief executive Nev Power, and international private equity firm Ibaera Capital, are seeking to proactively fund critical future-facing metals supply.

These organisations are using the power of commerce to drive environmental action and help create a greener future.

But Australia's politicians have so far failed to implement credible climate change policies that could allow Australia to be a forerunner in the development of green energy minerals, even though major investment has swung away from coal – a global shift underlined by China's commitment to stop building coal power plants overseas.

This lack of action could create international funding problems for Australia in the future, Treasurer Josh Frydenberg said last month.

"Australia has a lot at stake. We cannot run the risk that markets falsely assume we are not transitioning in line with the rest of the world," Frydenberg said in a speech to the Australian

Industry Group. "Were we to find ourselves in that position, it would increase the cost of capital and reduce its availability, be it debt or equity."

In Australia, companies are already taking action as they recognise, like the International Energy Agency (IEA) in May, that the outlook for energy is in future-facing metals. Examples of this include BHP exiting its petroleum assets via a \$28 billion deal with Woodside Petroleum and AGL divesting its coal business.

"There is a clear mandate to focus on climate change, energy transition and critical minerals. It's becoming an investor-driven requirement," says James Wallbank, managing partner of Ibaera Capital, one of the world's first private equity management groups specialising in future-facing minerals.

"And in the international investment market space, it's simply not acceptable for them to sustain carbon-intensive energy-related production."

Ibaera, which started in 2012, manages a future-facing minerals investment fund that invests in the development of new mines that will produce energy critical minerals.

It is currently returning a net internal rate of return (IRR) of 37 per cent by collaborating with major miners, and providing 'patient capital' that can fully fund and develop new mining projects to the point where they are ready to build.

It has projects on three continents with pathways to producing physical metal in the

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foreseeable short to medium term. Ibaera's most advanced asset is the Black Volta gold project in Ghana. With \$41 million invested to date, it has government approval to start construction.

"It is one of the best development-ready gold assets in Africa today," Wallbank says. "It's a perfect example of our funding model, where we use patient investment capital to bring a project through to construction."

The Rogozna copper-zinc-gold project in Serbia is at the advanced exploration stage and currently drilling "spectacular" polymetallic intercepts such as 178.8m at 2.4 per cent zinc, 0.4 per cent copper and 1.0 grams per tonne gold.

Wallbank says it is attracting the interest of

major miners around the world. ICA Partners of Sydney is running a process to invite third parties to participate in funding the project towards construction.

Wallbank says the energy transition-critical minerals story hasn't been fully acknowledged in Australia yet, which means there is a "fantastic opportunity" for the country to be a leader in this sector.

"The challenge is do we have an efficient business model for developing energy transition projects through to construction? Without leadership from the government, we're seeing leaders like Andrew Forrest, Nev Power and Bill Beament setting up vehicles to specifically invest in and develop these projects," he says.

Likewise, Ibaera is anticipating a future filled with technologies that support a green economy, and the base components those will require.

"We need people to build mines and to bring new supply to market to support the rapidly rising demand for battery metals," Wallbank says.

"Unfortunately, most sharemarket investors, and particularly those that invest in junior miners on the ASX, are more interested in short-term share price escalation than solving our strategic challenges."

For those investors with a serious interest in improving the environment, there are now targeted investment vehicles managed by groups such as Ibaera that are ideally positioned to achieve this.

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