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## Equinox team returns with Mt Gordon buy

TROUBLED copper producer Aditya Birla Minerals has sold its Mt Gordon Copper mine in Queensland to a new vehicle led by former Equinox Minerals executives and backed by Owen Hegarty's private equity firm.

Andrew Duffy | 21 Sep 2015 | 9:00 | News |



Aditya Birla's Mt Gordon copper operation.

Under the binding deal, Lighthouse Minerals will make an initial \$A5 million cash payment.

It will transfer another \$10 million if the copper price averages at least \$4.20 per pound for six months within a certain timeframe.

That timeframe will start 12 months after the start of commercial production and run for three years.

Aditya said the sale would substantially increase its unencumbered cash position and included the return of \$41.7 million in performance bonds.

The company's 51% shareholder and offtake counterparty Hindalco Industries has agreed to a new offtake agreement with Lighthouse.

The sale represents a new chapter for Mount Gordon, and comes after Aditya acquired the mine off receivers of Western Metals in November 2003.

Aditya held the project when it listed on the local market in 2006, and started searching for a buyer once care and maintenance started in 2013.

The acquisition forms also forms part of a wider merger and acquisition spree in Australia, with Lighthouse acquiring the project through a partnership with Hegarty's EMR Capital Resources Fund 1.

The Lighthouse team includes chairman Craig Williams, who was founding president and CEO of Equinox until its acquisition by Barrick Gold in 2011.

"Lighthouse is pleased to work with and have the support of EMR as the majority investor in this exciting project," Williams said.

"EMR's unique operational experience combined with its financial strength gives us great confidence that together we will add significant value over the life of the investment."

Lighthouse managing director Carl Hallion was previously vice president business development for Equinox.

Williams and Hallion will be on the board of the new venture, with Hegarty to act as chairman.

"While commodity prices and markets remain challenging, we are confident of the medium and longer term outlook for copper," Hegarty said.

"The acquisition of Mt Gordon creates an exciting opportunity to leverage the fundamental strength we see in the copper sector."

EMR and Lighthouse will seek to reinvigorate the Mt Gordon operations and create a new mid-tier copper producer.

The two companies have already developed plans to bring the mine back into production.

ANZ Corporate Advisory acted as exclusive financial adviser to Aditya while Ashurst acted as legal adviser.

Aditya shares were steady at A17c this morning.

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