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# Hegarty’s copper zooms towards \$1b-plus float; three brokers on board

Sarah Thompson, Anthony Macdonald and Tim Boyd

Mar 23, 2021 - 9:33pm

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Move over marketplace wannabe and software companies - copper miner 29Metals wants to end a long listings drought for producing base metals companies with a bang.

In its maiden pitch ahead of an initial public offering, Melbourne-based 29Metals has revealed it produced 87,000 tonnes of copper in 2020, and byproduct credits from zinc, gold and silver.

The copper was sourced from two Australian mines - Golden Grove in Western Australia and Queensland's Capricorn Copper - and the company has an established resource and toehold in the world's largest copper producing country, Chile, via its Redhill project.

Golden Grove produced 63,000 tonnes of copper equivalent last year, while Capricorn had 2020 production worth 23,000 tonnes. Both have 12-year plus mine lives and potential for expansion.

All up, the two mines had reserves of about 1 million tonnes of copper equivalent and resources of 3.6 million tonnes, according to the pitch to fund managers delivered in the past week.



Owen Hegarty's back with another mining company. Photo: Bloomberg

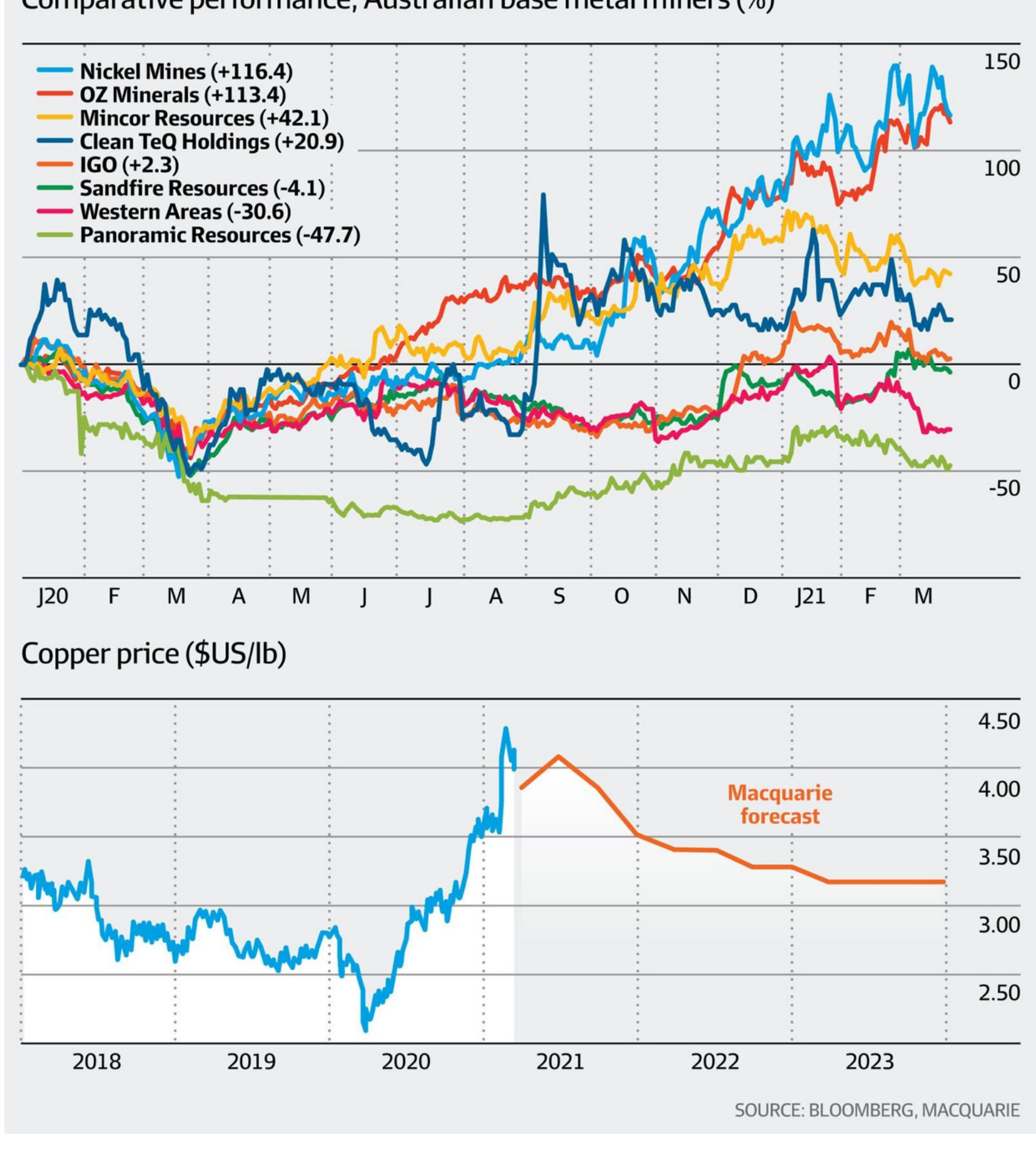
Street Talk can also reveal 29Metals owner, Owen Hegarty's EMR Capital, has hired Morgan Stanley, Macquarie Capital and Credit Suisse to prepare the company for the ASX boards.

Hegarty and Peter Albert, EMR's head of copper assets, told funds the IPO portfolio recorded \$621 million revenue and \$185 million EBITDA in the 2021 financial year.



Demand for copper could grow with increased electrification and rapid growth in electric vehicles, according to 29Metals' pitch to potential investors. Bloomberg

Analysts reckons the company's likely to be valued at more than \$1.5 billion, which would make it the biggest copper IPO in memory. At 87,000 tonnes, 29Metals would be producing more than listed players OZ, IGO and Sandfire Resources, who fill the mid-market copper hole on the ASX.



The investor meetings, held in the past 10-days and arranged by the sponsor brokers, come as investors flood to copper and related base metal miners, in expectation of rising commodity prices.

In addition, there's plenty of brokers tipping a historic copper shortage, as China ramps up buying and with little new supply due to hit the market.

Of course Hegarty, who formerly ran Rio Tinto's Australian copper/gold business and was founder of Oxiana Ltd (now OZ), nad his private equity house knows this, and will have his 29Metals zooming towards the ASX. If fundie feedback from the roadshow is any guide, we reckon the timetable could only have been accelerated in the past couple of weeks.

It's not the first time the assets have been targeted for the ASX boards; [EMR Capital mulled a similar listing in 2019](#).

This time, Hegarty told fundies EMR Capital had invested more than \$350 million in the assets since 2017, to significantly up production, reserves and resources.

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