

GFG Alliance drives Havilah projects with \$100m agreement

🕒 May 2, 2019 📁 News 👤 Alex Gluyas

Havilah Resources has secured up to \$100 million in funding from SIMEC Mining, a subsidiary of GFG Alliance, to advance its iron ore assets and copper prospects in South Australia.

The funding is part of a shared subscription agreement that allows Havilah to increase its focus on the Mutooroo copper-cobalt district, near Broken Hill, providing a pathway to commercialisation at the site.

SIMEC will also provide capital for Havilah's Maldorky, Grants and Grants Basin iron ore assets in South Australia.

The funding is set to be provided through a series of equity placements in Havilah over three years, potentially providing GFG with a 51 per cent stake in Havilah if all equity placements are made.

Subsequent to the equity placements, GFG will also have the potential to acquire direct equity interests in Havilah's iron ore assets.

The deal establishes a strategic partnership with GFG, which has a major investment in South Australia through operation of the Whyalla Steelworks and Whyalla port and export facility.

It also provides Havilah with access to global capital markets and extensive technical and commercial support.

The agreement is the culmination of extensive discussions between the companies since mid-2018 and aligns with Havilah's ambition to diversify its resources portfolio.

"The Havilah board believes the strategic alliance with GFG will strengthen Havilah's ability to generate value from its multi-commodity portfolio through discoveries, project development and further transactions," Havilah non-executive chairman Mark Stewart said.

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The Maldorky iron ore project. Image: Havilah Resources.

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