

SE Business
HD **NBN Co guru's \$1.5m transition into graphite**
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NBN Co board director and internet entrepreneur Simon Hackett is shifting his focus from the tech sector and into the resources game after spending \$1.5 million to take a quarter stake in the nascent graphite mining operation Oakdale Resources.

Mr Hackett, who is independently wealthy, having sold internet provider Internode to rival iiNet for \$105m in 2011, has high hopes for the graphite industry in Australia and the mineral's potential to bolster the production of the high-end batteries used in electric cars as well as the "super material" graphene in the future.

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Graphite, with its ability to easily conduct heat and electrical current, is an important element in the production of lithium-ion batteries while its derivative grapheme — a material 200 times stronger than steel — is expected to transform everything from concrete-making to military equipment.

Mr Hackett's investment in Oakdale has netted him 7.5 million shares at 20c each to take a 25 per cent stake in Oakdale's IPO, which hit the market yesterday.

The company floated a total of 30 million shares at an issue price of 20c in the hopes of raising \$6m. The IPO closes on October 23.

According to its prospectus, Oakdale will explore eight tenements covering 2008sq km in the Eyre Peninsula, South Australia, which in preliminary explorations has shown high-quality flake graphite, which is needed in high-performance batteries.

The company will be headed by prospector John Lynch, who has significant exploration and development experience, including the discovery of Mount Leyshon, Camel Creek and Big Rush gold mines in North Queensland and the Weda Bay nickel cobalt deposit in Indonesia.

The company plans on using about \$3m of its raised capital to further explore the tenements with the remaining funds to be spent on building facilities, infrastructure, royalties and other expenses.

Mr Lynch said that when its processing facility is in operation in 2016 it would be capable of producing 100,000 tonnes of graphite a year. At present, graphite sells for about \$1400 a tonne.

Mr Hackett is a big backer of innovative start-ups and technology companies but his investment in Oakdale represents the first time the serial investor has put his money into a mining operation.

While his investment might seem counter-cyclic — as mining companies typically invest in tech companies and not the other way round — Mr Hackett's decision to back Oakdale is the latest of his that tie closely with his interests.

Earlier this year the self-made millionaire invested millions of dollars in a new motoring start-up called eV Race Systems, designer of a world-leading, high-performance electric-powered race car for international exhibition and racing events.

"It's no secret that I look up to (Tesla founder) Elon Musk. Now while he's not into this sort of investment we think there's a great opportunity to move further up the supply chain to produce the resources that make batteries possible for electric cars," Mr Hackett told The Australian.

"And with Tesla building its \$US5bn (\$5.64bn) giga-battery factory in the US there is going to be some serious need for sourcing graphite." Mr Hackett, who owns three of the iconic electric-powered Tesla Roadsters (and has another two on order), believes adoption of electric vehicles, especially in Asia, would also create strong demand for graphite in the future. "It's not just the West that will be demanding this graphite for batteries. **China** has a massive air-pollution problem in its big cities and so I can easily imagine a future where only zero-emission vehicles will be allowed in those centres. That represents a massive opportunity for us."

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