

SE Business
HD **Daws plan to inject life into MMG's Avebury**
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The dust is yet to settle on MMG's transformational \$US5.85 **billion** (\$6.23 **billion**) **acquisition** of Glencore Xstrata's Las Bambas **copper** project in Peru but the collateral corporate deals are flowing thick and fast.

Within hours of Glencore on Monday securing the higher-than-expected price, the Swiss-based giant forked out \$US1.35 **billion** on Chad-focused **oil** and gas play Caracal **Energy** while MMG struck a deal to recoup \$40 **million** from the **sale** of its mothballed Avebury nickel mine in Tasmania.

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Avebury's **sale** will not even put a dent in the cash MMG has to stump up for Las Bambas but highlights the transformation going on at the Andrew Michelmore-led, **Chinese**-controlled miner from bits and pieces to big, world-class assets.

But beauty lies in the eye of the beholder and one of the Goldfields' most opportunistic **mining** investors, Doug Daws, obviously sees more joy in Avebury than an otherwise preoccupied MMG.

Late yesterday Daws' private **company** QCG Resources said it would buy Avebury.

As impressive as the headline price tag sounds, QCG will only have to cough up a \$1.75 **million** deposit within the next 15 business days. It then has about six months to secure a \$33.25 **million** closing payment and will also owe MMG two tranches of \$2.5 **million** on Avebury production milestones.

"QCG has received commitments in regards to the deposit and is currently in advanced discussions with a number of finance organisations both in Australia and internationally regarding the sources of funding associated with the closing payment," the **company** said yesterday.

QCG's shareholders include Mr Daws' son Chris and a gaggle of individuals.

It may seem a big ask for a group of private individuals to raise the required cash.

MMG must be sufficiently comfortable while the nickel price is showing signs of finally exiting the malaise that caused Avebury to close in 2009.

The two Daws have a history in buying unloved assets before cashing in on improved market sentiment.

The listed Poseidon Nickel is a point in case.

It was the Daws team that bought the shuttered Windarra nickel mine from WMC Resources in 2005 before handing control of their vehicle Niagara **Mining** to Andrew Forrest in 2008 when nickel prices were booming, earning them a tidy profit. Niagara has since become Poseidon but is yet to deliver its (modern-era) maiden tonne of nickel.

Mr Daws also had a crack at buying BHP Billiton's old Mount Goldsworthy **iron ore** mine in the Pilbara and looked at manganese off Groote Eylandt in the Northern Territory.

"We believe the diligence to which (Avebury's) care and maintenance program has been conducted means **mining** could recommence within a short time frame once we are able to make necessary modifications to the milling circuit," Mr Daws said yesterday.

CO geiic : Caracal Energy Inc. | march : Glencore Xstrata PLC | orieml : MMG Limited | cminmc : China Minmetals Corporation | imreht : Inner Mongolia Baotou Steel Rare-Earth (Group) Hi-Tech Co Ltd | lawspr : Minmetals Land Limited

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