



Big gains turn miners' eyes to M&A; Returns

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Body

West Australian gold producers are poised to capitalise on their riches by turning to mergers and acquisitions according to Deloitte, whose annual stocktake of WA-based companies found gold a rare bright spot in a year of value destruction for critical minerals.

Companies exposed to green metals and headquartered in the west lost an aggregate \$23 billion in market capitalisation in 2023-24, the professional services firm found.

The winners were gold miner Red 5, up by 273 per cent as of June 30, Emerald **Resources** (up 90 per cent) and **Ramelius Resources** (up 76 per cent).

Broadening the field to the top 100 WA companies captures gold play Spartan **Resources**, which jumped 626 per cent, and copper and gold explorer FireFly Metals (up 545 per cent).

Ruling off a year to forget were Hancock-backed lithium producer Liontown **Resources** down 65 per cent, Delta Lithium (down 57 per cent), Lynas Rare Earths (down 13 per cent), Iluka **Resources** (down 41 per cent) and nickel and lithium producer IGO (down 63 per cent).

Deloitte audit and assurance partner Dave Andrews said commodity price volatility made WA mining ripe for deals.

"There is a clear linkage between M&A priorities and the energy transition. We can expect it to continue to dominate the M&A landscape, but not in isolation, with the gold industry bringing together regional asset portfolios and building operational scale," he said.

The string of gold deals in the past 12 months has spanned Red 5 and Silverlake, **Ramelius** and Musgrave, Emerald and Bullseye, and Genesis and Dacian.

Westgold completed its \$2.5 billion merger with Toronto-listed Karora last week to create a mid-tier gold producer.

Mr Andrews said **Ramelius**, which has done seven deals in six years, was "at it again" grabbing a near 18 per cent stake in Spartan.

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Speaking after **Ramelius** released June quarter results last week, chief executive Mark Zeptner said his company would take a wait and see approach on Spartan and its Never Never discovery.

"Whilst we'd like to have Never Never in our portfolio, we actually look at it as a nice to have, rather than a need to have," he said at the time.

Ramelius' \$87 million spending spree on Spartan stock came after revelations **Ramelius** had been in takeover talks with Westgold late last year and that the two gold producers had agreed to a 12-month "mutual standstill".

Westgold moved on through the Karora merger. The sector is aiming to fill the void left by Newmont's acquisition of Newcrest Mining.

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