

Rural

International investors moving back into mining and resources sector with tech-metals in demand



ABC Rural By Babs McHugh

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A sample of the rare earths being found shows Australia is rich in the ores, tech metals and rare earths. (Supplied: Northern Minerals)

A resurgence in overseas investment in the Australian mining industry has been a reflection of the market performance according to several experts.

Head of specialist resource broking house PCF Capital, Liam Twigger, said that the investments are reflected by the performance of the ASX 200 Resources Index.

"For over five years a lot of the industry, and financiers, were just hanging on by their fingertips," Mr Twigger said.

"But January 2016 was the bottom of the ASX 200 Resources Index, and it was up 75 per cent in the first quarter of 2017.

"And the small-cap resources index bottomed at the same time, and it's up 85 per cent since then."

"There's not a lot of new investment going into exploration, which is a high risk sector.

"But a project that has a pathway to production, has resources and cash flow, investors are interested".

Funding change sweeps through sector

Another advisory and broking company Argonaut Limited, has also seen first-hand the recovery in financing and investing in the mining and resources sector.

Why the next mining boom will be driven by tech metals



Australia is rich in the ores, tech metals and rare earths needed for renewable energy storage and technology growth.

Head of investment, Eddie Rigg, says there has also been a change in where the funds are coming from.

He says generalist pension and equity funds are returning to the mining market for the first time in more than five years.

"This industry has traditionally been funded by big endowment and pension funds out of the US," Mr Rigg said.

“But what we're seeing this time round is a lot of the funds are actually out of Europe, and they're major, multi-billion dollar funds.”

"They're allocating up to three and four per cent just in resources, so they're really big numbers."

Mr Rigg said there are also a number of new specialised resource funds that have sprung up and are growing rapidly, already spending hundreds of millions of dollars.

"These funds didn't even exist two years ago," he said.

Renewable energy bringing more investors into mining market

Australian companies that are moving in the tech-metals space are also seeing increased investment in mining.

The tech-metals complex is made up of metals and rare earths like lithium, cobalt and neodymium.

They are used in all technology platforms **from mobile phones to satellite, as well as batteries and magnets for renewable energy storage.**

CEO of Australian Vanadium Vincent Algar found a strong, and growing, appetite for investing in the area.

“I've been to London and Cape Town recently to meet with investors, and they all want to talk about batteries," Mr Algar said.

"There's groups out there that are starting to earmark themselves as 'green' investors, that are looking at mining stocks in this area."



[pilbara mining](#) (abc)

Central Australia rare earth targets

Arafura Resources plans to build a rare earths project at Nolan's Bore, in Central Australia.

Rare earth elements like neodymium are used to make batteries for electric cars.

Managing director Gavin Lockyer has also been on an investor roadshow in Australia and overseas.

"We went out to test the market and did a roadshow through Hong Kong, Singapore and the east-coast [of Australia] in August last year," Mr Lockyer said.

"In January this year we went to New York where we found there is a real growing interest in the tech space.

"A lot of brokers and investors have made money in the last 18 months in the lithium and cobalt battery technology space, and they're looking to continue that."

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