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MinRes backs Global raising

Kalgoorlie Miner, Kalgoorlie

MinRes backs Global raising

SEAN SMITH

Mineral Resources is increasing its stake in surprise packet Global Lithium as part of a $121.5 million equity raising that will advance the fledgling company's ambitions over its Manna project.

Some $40m of the proceeds from the institutional placement and retail share purchase plan will go towards Global Lithium's purchase of the remaining 20 per cent of Manna from Breaker Resources.

Another $20m will be handed over to Breaker as a previously agreed deferred payment for December's purchase by Global Lithium of the initial stake in the project, 100km east of Kalgoorlie-Boulder.

The balance of the cash will be go towards exploration at Manna and the Marble Bar lithium project and a feasibility study on Manna, which is due for completion in the second half of 2023.

The minority buyout effectively means Global Lithium is paying $73m for Manna, including the $33m in cash and shares forked out for the initial 80 per cent stake.

The equity raising has been struck at $2.25 a share, a 13.4 per cent discount to Monday's closing price, and takes advantage of a renewed surge in Global Lithium's share price to a record high of $2.94 last month.

MinRes will increase its holding in Global Lithium to 9.9 per cent by subscribing for $19.6m of new shares as part of an underwritten $100.1m institutional placement.

Chris Ellison's mining and services company took up its initial stake at just $1.35 a share seven months ago.

Chinese company Suzhou TA&A will spend another $11.1m as part of the latest raising to maintain its holding at 9.9 per cent alongside MinRes.

Retail shareholders will be given the opportunity to take up a combined $10.1m of new stock via the share purchase plan.

Global Lithium listed in March 2021 via a $10m float at just 20¢ a share.

Mineral Resources' Chris Ellison.