

Corporate Finance

SPECIAL REPORT



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Corporate finance

M&A deals shift the dial

Several Perth companies executed value-creating mergers & acquisitions last year, none more so than Pilbara Minerals.



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8-PAGE FEATURE

A RULE of thumb in takeovers is that the bidder's share price falls after a deal is announced while the target's share price rallies.

Recent deals by prominent Western Australian companies have defied this rule.

The biggest M&A deal of the year is a case in point.

The share price of both Northern Star Resources and Saracen Mineral Holdings rallied in the weeks after they announced a 'merger of equals' in October.

Nickel miner IGO has enjoyed strong share price gains since it announced the \$1.9 billion purchase of a minority stake in Tianqi Lithium's Australian operations last month.

Similarly, MACA's share price is up strongly since it unveiled the \$175 million purchase of Downer's western region contract mining business.

The biggest gains, however, have been enjoyed by Pilbara Minerals' shareholders, since the company announced in late October it planned to acquire Altura Mining's lithium operations.

Helped by a recovery in the global lithium market, Pilbara's share price has nearly tripled over the past three months.

The \$US175 million Altura deal, which is close to completion, will enable Pilbara to extract large operational synergies by bringing together two neighbouring mining operations.

It will also go down as one of the most deft M&A deals of recent years, with Pilbara announcing a conditional agreement with Altura's creditors



DEAL: Ken Brinsden says Pilbara Minerals had been ready to move quickly on its Altura acquisition. **Photo:** Matt Jelonek

just two days after the struggling miner was placed in receivership.

Pilbara was advised by law firm Allen & Overy and investment bank Macquarie Capital, which topped *Business News*' league tables for both M&A and capital raisings in 2020 (see below).

Managing director Ken Brinsden said he was able to act swiftly because of the work Pilbara had done in previous months and years.

"Knowing that Altura was running out of rope, we were ready to act at short notice," Mr Brinsden told *Business News*.

"The main reason that happened was because we had already brought the financiers along with us during the course of 2020 for the purpose of refinancing our (Nordic) loan.

"They were quite close to our business anyway."

Mr Brinsden said Pilbara had worked closely with multiple equity and debt providers during 2020.

"We were running multiple streams for refinancing the Nordic bond," he said.

That played a part in AustralianSuper and private equity investor Resource Capital Funds signing up as major backers of its \$240 million capital raising.

Mr Brinsden disclosed Pilbara and Altura had engaged in many discussions over the years about operational synergies from their neighbouring operations.

This resulted in an MOU, which subsequently expired.

"The big elephant in the room that never got resolved was, what do we do with the tenement boundary that sits

between the two operations," he said.

"The reality is, it has the effect of sterilising ore, in particular on the Altura side of the fence."

He also recalled discussions, soon after joining Pilbara, about a friendly merger.

"Going back a long way, there was a discussion about whether there was a merger to be done, one direction or the other, but we could never agree terms," he said.

In addition, Mr Brinsden said Pilbara had been in discussions over the past two years with Altura's lenders.

"I think their logic in talking to us was to say 'what's this lithium business, what are you guys up to,'" he said.

"That led to on-and-off dialogue to say 'there might be an opportunity, we should keep in touch'.

"That was the way they dealt with us."

In the lead-up to Altura's lenders placing the company into receivership, Pilbara had been one of several companies in Altura's 'data room'.

"We participated in that process in the knowledge we might be part of their refinancing solution," Mr Brinsden said.

"The conclusion we came to was that it was very difficult to make an investment in Altura because in essence there was no equity value."

The poor state of the Altura business was highlighted by administrators Cor Cordis.

In a report to creditors, it said Altura had not been profitable since 2018 and had been insolvent since at least 6 February 2020.

The Cor Cordis report said two parties submitted bids for



PIPELINE: John Stanning says 2020 has been one of Macquarie Capital's best years in WA. Photo Gabriel Oliveira

Altura, though the second bid was withdrawn after it made further enquiries.

Mr Brinsden said his team was working on ways to integrate the operations but cautioned

Pilbara was awaiting a stronger market recovery. "We are not prepared to invest

“ It’s bounced back into one of the best year’s we’ve had

– John Stanning

in a big way in growth until we get a very, very clear signal from the market,” he said.

“When we are making reasonable margins, we will turn our minds back to growth in production, which initially will include switching back on the Altura operations but certainly no sooner than the middle of this year.”

Adviser rankings

The Pilbara Minerals transaction was one of five M&A deals worth about \$8 billion that Macquarie Capital advised on last year.

It also had a lead role on 10 WA-related ECM deals worth a total of \$3.6 billion (see page 24).

As a result, it topped *Business News’* league tables for both M&A and ECM deals in 2020. Director John Stanning said 2020 had been a volatile year, with the second half being particularly buoyant. “It’s bounced back into one of the best year’s we’ve had,” Mr Stanning said. In the M&A space, it also advised Saracen on its merger with Northern Star, to create a company with a combined market value of \$16 billion. Macquarie advised Iluka Resources of its demerger of Deterra Royalties and Downer on the sale of its contract mining business to MACA. In addition, it advised Melbourne-based New Century Resources on the proposed acquisition of the Goro nickel mine in New Caledonia, however, this deal did not proceed. The poor state of the Altura business was highlighted by administrators Cor Cordis. In a report to creditors, it said Altura had not been profitable since 2018 and had been

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Advisers enjoy strong flow of listi



PLUGGED IN: DUG Technology founder Matt Lamont led his company to an ASX listing last year. **Photos:** Gabriel Oliveira



SMARTER: Stewart Washer chairs cannabis medtech business Clinics.

A post-pandemic bounce back in initial public offerings could indicate confidence among WA investors.

Matt McKenzie

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WHEN the ASX 200 plunged 36 per cent over a few weeks during March 2020 as a COVID-induced recession loomed, investors surely did not expect they would soon see a surging IPO market.

But 2020 proved to be a strong year for Western Australian businesses listing on the stock exchange.

More than \$340 million was raised in 32 initial public offerings, according to *Business News Data & Insights*.

That compared with \$321 million from 18 listings in 2019.

Steinpreis Paganin was legal adviser on 11 of the 2020 IPOs.

Managing partner Mark Foster said it was the busiest year since 2007.

"It was a tale of two periods," Mr Foster said.

"Early in the year, it was unprecedented in terms of lack of work, and after Easter, it got almost as

busy as we've seen towards the back of the year."

That was expected to continue into 2021, he said.

Valuations were high, making it easier to raise capital.

Government stimulus and high commodity prices were supporting that confidence, Mr Foster said.

Bell Potter director of corporate finance Stephen Kite agreed the high iron ore and gold prices were a factor, as was stimulus.

The Reserve Bank of Australia unleashed about \$130 billion to support economic activity during 2020.

"The biggest determinant is the amount of central bank stimulus ... in the last year or so," Mr Kite said.

It had provided a large pool of equity capital for ASX and other markets, he said.

Mr Kite agreed the IPO market had been very poor in the first six months of 2020.

"As the market matured and the recovery matured, and there was greater confidence, markets

were (ready) to support activity," he said.

While WA was usually dominated by smaller resources IPOs, he said there had been plenty of activity outside that sector.

One example was GenusPlus, a power provider which raised \$33 million in a December listing, with Bell Potter advising.

Similarly, the two largest IPOs during 2020 were not resources companies, although both had strong resources links.

Duratec is an engineering and construction business with resources clients, while DUG Technology started life providing computing power for oil and gas.

Going green

Medical technology business Emerald Clinics, now trading as Emyria, listed in February 2020.

Emerald, Little Green Pharma, and Live Verdure were all 2020 IPOs which have a cannabis or hemp focus.

Emerald chair Stewart Washer said because cannabis had only recently been legalised for commercial purposes, the field was still maturing, but quickly.

That was demonstrated by the willingness of businesses to enter

32 IPOs IN 2020

Source: Data & Insights

production without building medical evidence for use cases.

"(There) is a big glut of cannabis out there," Mr Washer said.

"Production ran ahead of medical evidence."

Similarly, while there was solid investor interest in cannabis, it was not at the level of two years ago when he said some weaker companies were backed.

"Investors are getting smarter," Mr Washer said.

The Emerald IPO started before Christmas 2019 and listed before COVID-19 hit markets.

Mr Washer said that led many funds to sell their stakes and putting downward pressure on the share price.

"We're getting a stable following now," he said.

HWL Ebsworth partner Shaun Hardcastle said there had been a renewed interest in cannabis.

The law firm advised on the IntelliCare raising, another medtech business.

"WA is a bit of a hidden secret when it comes to medtech and biotech," he told *Business News*.

"There's a number of corporate advisers in WA that have a keen focus on medtech and biotech."

IntelliCare's raising was an eight-week process challenged by the COVID-19 outbreak, Mr Hardcastle said, but this was mitigated because the company's technology was probably made more relevant by the pandemic.

HWL advised on 10 IPOs nationally last year, he said, nine of which were out of the Perth office.

There was a strong pipeline for 2021, Mr Hardcastle said, and the firm had 10 to 15 good prospects.

While the IPO boom is engaging advisers, Argonaut executive chairman Eddie Rigg cautioned about the surge of junior miners coming to market.

"We didn't see a lot of quality in there," Mr Rigg said.

Gilbert + Tobin partner Justin Mannolini said the same question was asked during every market rally.

But he believes the tougher regulatory standards applied by the ASX in recent years have served to raise the bar for new listings.

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Emmyria, which listed as Emerald

WA IPOs in 2020

Company	Advisers	Lawyers	value (\$m)
Duratec	Euroz Hartleys	K&L Gates	52.9
DUG Technology	Canaccord Genuity	Clayton Utz	34.8
GenusPlus Group	Bell Potter Securities	Gilbert + Tobin	32.8
WA Kaolin	Canaccord Genuity, JP Equity Partners	Gilbert + Tobin	22
Playside Studios		Steinepreis Paganin	15
Pyx Resources		HopgoodGanim Lawyers	14
COSOL	Euroz Hartleys	Murcia Pestell Hillard	12
Little Green Pharma	Canaccord Genuity	DLA Piper, HWL Ebsworth Lawyers	10
Cobre	Ashanti Capital		10
Australian Gold and Copper	Taylor Collison	HopgoodGanim Lawyers	10
Siren Gold		Steinepreis Paganin, HWL Ebsworth Lawyers	10
AML3D		Steinepreis Paganin	9
Coda Minerals	CPS Capital Group	Blackwall Legal LLP	8.5
Caspin Resources	Ashanti	Thomson Geer	8
Miramar Resources	Shaw and Partners	Steinepreis Paganin	8
Errawarra Resources	Euroz Hartleys	Steinepreis Paganin	6
Emerald Clinics	PAC Partners	HWL Ebsworth Lawyers	6
Megado Gold	Canaccord Genuity	Steinepreis Paganin	6
Pathfinder Resources	Arq Capital	Steinepreis Paganin	6
Kingfisher Mining	CPS Capital Group	HWL Ebsworth Lawyers	6
Rincon Resources	PAC Partners, Ironside Capital	Steinepreis Paganin	6
InteliCare	JP Equity Partners	HWL Ebsworth Lawyers	5.5
DC Two	Alto Capital	Nova Legal	5.5
Metal Hawk	Canaccord Genuity	HWL Ebsworth	5.5
Dynamic Drill and Blast	JP Equity Partners	HWL Ebsworth Lawyers	5
Desert Metals	Morgans Financial	Steinepreis Paganin	5
Live Verdure	CPS Capital Group	HWL Ebsworth Lawyers	5
Prospect			5
Kaiser Reef	Peloton Capital	Steinepreis Paganin	4.5
BPM Minerals	PAC Partners	Steinepreis Paganin	4.5
Australian Sunny Glass Group (formerly Ventus Aqua)	Townshend Capital	Blackwall Legal LLP	3
Benz Mining Corp		HWL Ebsworth	2

"The IPO process is getting harder," he said.

"The ASX is applying a much tougher filter.

"Companies we worked with had more work than they would have anticipated to ensure they had the systems and processes suitable for an ASX listing."

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FLOWS: Eddie Rigg says the start of 2021 is the busiest period he has experienced. Photo: Gabriel Oliveira

Brokers upbeat on raisings

For the second year running, Macquarie Capital and Canaccord Genuity have topped *Business News'* league table for capital raisings.

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COMPANIES looking to raise fresh capital enjoyed a strong finish to 2020 and most brokers and advisers are confident that will continue this year.

For most dealmakers, 2020 ended up being a good year for equity capital markets (ECM) deals.

"The ECM floodgates opened in July," **Gilbert + Tobin** partner Justin Mannolini said.

Mr Mannolini said 2020 had been a year in three parts, with the first two months being very positive before the onset of COVID caused a period of market wobbles.

Even then, most companies looking to raise capital during the second quarter, often to repair battered balance sheets, had been able to do so.

Argonaut executive chairman Eddie Rigg, who spoke to *Business News* earlier this month, is

confident the positive finish to 2020 would continue this year.

"I've never seen it so busy in the first week of January," he said.

Like other market watchers, Mr Rigg said the main driver of global equity markets was last year's massive central bank stimulus.

"Every time there is a major fiscal stimulus, there is a two to five-year period of outperformance for commodities," he said.

"We're in the early days of a long trend."

Macquarie Capital director Stuart Owen said the support for capital raisings had predominantly come from Australian institutions.

With interest rates at record lows, they were chasing higher returns in equities.

"There is also the strong commodity outlook which leads to a strong risk appetite."

Mr Owen said the market was also responding to the trends toward digitisation and energy

transition, driving demand for exposure to the green economy, including battery minerals for battery storage, electric vehicles and renewables.

This underpinned a positive long-term outlook for battery metals such as lithium, nickel sulphate and copper.

Mr Rigg said there were about 10 so-called battery metals and the impact would be highly variable.

"The one I like best is copper," he said.

He said the market for copper was already bigger than nearly all other battery metals combined and was set to grow, with electric vehicles using nearly four times as much copper as a petrol vehicle.

"The other one that everyone is strong on is nickel sulphate," he said.

That's because all battery types need nickel.

He is less positive on lithium.

"We don't see lithium as a major

driver because there is so much idle capacity," he said.

Macquarie Capital director John Stanning is more bullish on lithium.

He said a big factor was the quality of the hard rock lithium deposits in Western Australia, which made them ideal for use in lithium hydroxide for higher energy-intensity batteries, compared with the 'brine' deposits that were abundant in other countries.

"Our research team have identified battery minerals, including lithium and nickel, as winners on a five-year view," Mr Stanning said.

Mr Rigg expects the gold price will go back above \$US2,000, from about \$US1,850 currently, but the impact on local producers will be offset by a stronger Australian dollar.

Nonetheless, he emphasised that even at current prices, local miners were generating great margins.

"Even the crap producers are making good money," he said.

Mr Rigg said WA was able to take advantage of the favourable global trends because it was a great place to explore and produce.

This opinion was backed up by Canada's Fraser Institute, which ranked WA as the most favourable jurisdiction globally for mining.

The sector had also been bolstered by two spectacular discoveries in WA, first by De Grey Mining (at Hemi) and then by Chalice Gold Mines (at Julimar).

"They were just so positive for the sector, it's been unbelievably important for improving sentiment," he said.

Lead managers

Sydney-based Macquarie had a lead role on 10 WA-related ECM deals worth a total of \$3.6 billion during 2020 (see table).

After adjusting for the role played by joint lead managers, Macquarie raised \$2 billion.

Its ranking was boosted by Macquarie's Perth office advising on some large national transactions, including a \$1.1 billion block trade for Wesfarmers (of Coles group shares) and a \$1 billion raising for Melbourne-based Newcrest Mining.

Its other key clients included Perth companies IGO, Pilbara Minerals, Emeco Holdings, Bellevue Gold, Dacian Gold and Chalice Mining.

Mr Owen said the investment bank had benefited from its long-term presence in WA.

"A lot of those transactions were the culmination of long-term relationships we have with local corporates over many years," he said.

Canaccord Genuity was by far the busiest player in the market last year.

It had a lead role on 92 ECM deals worth \$2.5 billion in aggregate.

That followed 62 deals worth \$1.4 billion in 2019.

This strong deal flow highlights the success of Canaccord Genuity's \$25 million acquisition of Perth-based Patersons Securities.

Canaccord led transactions for companies as diverse as Lynas Rare Earths, Resolute Mining, Galaxy Resources, Bellevue Gold, De Grey Mining and Salt Lake Potash.

Canaccord's WA deals included lead roles on four IPOs (see page 22).

“ There is also the strong commodity outlook which leads to a strong risk appetite – Stuart Owen

Global investment banks UBS and Goldman Sachs ranked high on the ECM league table, after having lead roles on a handful of large WA-related transactions.

Perth-based brokers Euroz and Hartleys merged during the year, having been market leaders in their own right in many previous years.

Combining all deals led by the two firms during the year, they had a lead role on 74 transactions worth nearly \$1.3 billion.

Perth-based Argonaut had a lead role on 24 transactions worth \$491 million.

That placed it just ahead of national firm Bell Potter Securities, which was lead manager on 26 transactions worth \$470 million.

Other firms that were busy during the year, mostly at the junior end of the market, included Taylor Collison and local broker CPS Capital Group.

Legal advisers

Among the law firms, HWL Ebsworth Lawyers was the market leader in 2020.

It topped the rankings for both number of transactions (80) and value (\$1.2 billion).

This is a highly unusual outcome – typically the big international firms like Herbert Smith Freehills and King & Wood Mallesons top the league table for deal value while local firms such as Steinepreis Paganin top the list for deal number.

HWL's top ranking capped off a period of rapid expansion for the national firm, helped by its 2019 acquisition of successful Perth boutique Bellanhouse Lawyers.

The second ranked firm by deal value was Herbert Smith Freehills – it advised on six transactions worth \$1.1 billion.

By number, the second ranked firm was Steinepreis Paganin, which advised on 61 transactions worth \$422 million.

Perth-based Steinepreis Paganin had for many years been the most

Data & Insights

Equity Capital Markets - Top Advisers 2020

Lead managers	Number of deals	Value of deals (\$m)	Amount raised (\$m)	Key clients
Macquarie Capital	10	3,649	1,957	Wesfarmers (block trade), Newcrest Mining, IGO, Pilbara Minerals, Emeco Holdings, Bellevue Gold, Dacian Gold, Chalice Mining
Canaccord Genuity	92	2,529	1,586	Lynas Rare Earths, Resolute Mining, Galaxy Resources, Bellevue Gold, De Grey Mining, Salt Lake Potash, Dacian Gold, DUG Technology IPO
UBS	3	2,279	1,139	Wesfarmers (block trades), Galaxy Resources
Goldman Sachs	4	1,532	736	Wesfarmers (block trade), Coronado Global Resources, Emeco Holdings
Euroz Hartleys*	72	1,258	939	Salt Lake Potash, MACA, Emerald Resources, Firefinch, Ora Banda Mining, Duratec IPO, Mincor Resources
Citigroup	1	766	383	IGO
Argonaut	24	491	326	De Grey Mining, Pantoro, Capricorn Metals, Northern Minerals, Family Zone Cyber Security, Atrum Coal
Bell Potter Securities	26	470	303	Chalice Mining, BCI Minerals, PYC Therapeutics, GenusPlus Group, De Grey Mining, Horizon Minerals
Merrill Lynch	1	425	213	Lynas Rare Earths
Petra Capital	7	317	218	Geopacific Resources, Red 5, Big River Gold, Galena Mining, Good Drinks
Morgans Financial	12	264	195	Panoramic Resources, Kalium Lakes, Stavelly Minerals, Poseidon Nickel
Ashanti Capital	11	105	82	Trident Royalties, GenusPlus Group, Cobre, Canyon Resources
Shaw & Partners	12	102	75	Family Zone Cyber Security, Strandline Resources, Saturn Metals, Pacifico Minerals
Taylor Collison	17	81	63	Rox Resources, Kalamazoo Resources, Core Lithium, Matsa Resources
Legal advisers	Number of deals	Value of deals (\$m)	Key clients	
HWL Ebsworth Lawyers	80	1,218	Bellevue Gold, Chalice Mining, Red 5, Salt Lake Potash, Panoramic Resources, Kalium Lakes, Calidus Resources	
Herbert Smith Freehills	6	1,132	IGO, Gascoyne Resources, Australian Finance Group, Capricorn Metals	
Corrs Chambers Westgarth	15	783	Kape Technologies plc, Geopacific Resources, Dacian Gold, AEX Gold Inc, MACA, Decmil	
Gilbert + Tobin	21	558	Salt Lake Potash, Panoramic Resources, Firefinch, BCI Minerals, Mincor Resources, WA Kaolin IPO	
Ashurst	6	529	Dacian Gold, Panoramic Resources, Mincor Resources	
King & Wood Mallesons	6	507	Lynas Rare Earth, Australian Finance Group, Cardinal Resources	
Allen & Overy	8	473	Pilbara Minerals, Dacian Gold, Tigers Realm Coal, Shaw and Partners	
Steinepreis Paganin	61	422	Emerald Resources, Peel Mining, Playside Studios IPO, Otto Energy, PictureWealth, Douough, Siren Gold IPO	
DLA Piper	12	348	Resolute Mining, Kalium Lakes, Ora Banda Mining, Little Green Pharma IPO	
Thomson Geer	15	259	Piedmont Lithium, PYC Therapeutics, Musgrave Minerals	
Hogan Lovells	3	216	Emeco Holdings, Peninsula Energy	
HopgoodGanim Lawyers	10	203	Red 5, Breaker Resources, Pyx Resources IPO	

*Includes all Euroz and Hartleys deals

For full details, go to: businessnews.com.au/bniq/Corporate-Finance/ECM/Top-Deals

active law firm servicing small and mid-cap listed companies.

The combination of HWL and Bellanhouse bumped Steinepreis Paganin off its perch.

The ranking of law firms may change again this year, following the resignation of HWL partner (and Bellanhouse founder) Bryn Hardcastle.

He is due to start this year with Allens, which is looking to broaden its corporate practice.

Another big change last year was the defection of most of DLA Piper's WA corporate law team.

Led by Michael Bowen, the 10-member team is now at Thomson

Geer and will be looking to make their presence felt this year.

Future risks

Looking ahead, **Katana Asset Management** portfolio manager Romano Salla Tenna is one of the most bullish people in the market.

“Unlike many, we are not cautiously optimistic,” he said.

“We are, rather, outrightly bullish about the outlook for the coming year.”

His confidence is based on the successful intervention by global central banks.

“Central banks globally have ‘printed’ more money more

rapidly than at any time in history,” he said.

With very low interest rates and relatively high yields on shares, he believes advisers and investors have no alternative but to increasingly allocate money to equities.

Mr Mannolini agrees the outlook is positive but cautions the window of opportunity for capital raisings could shut quickly.

He observed the market had run hard on the US election result and positive news about COVID vaccines.

In both cases, Mr Mannolini said there was a risk the market

could be disappointed by the impact.

The final word goes to Cottesloe-based fund manager **Packer & Co**, which is extremely bearish.

“Never in our careers have the investment risks been greater,” the firm said in its latest newsletter.

“The world economy is a shambles, with escalating trade wars and severely overvalued investment markets,” Packer said.

“Our primary goal is to survive what we believe is an incredibly turbulent investing environment with our capital intact.”

Data & Insights

M&A - Top Advisers 2020

Financial advisers	Number of deals	Value of deals (\$m)	Key clients
Macquarie Capital	5	8,020	Saracen Mineral Holdings, Iluka Resources, Pilbara Minerals
Sternship Advisers	9	6,291	Northern Star Resources, Pilbara Minerals, Primero Group
Euroz Hartleys	8	2,819	Cardinal Resources, Spectrum Metals, MACA
Canaccord Genuity	5	2,361	Cardinal Resources
BMO Capital Markets	4	2,353	Cardinal Resources
Gresham Partners	3	2,220	Iluka Resources, Infrastructure Capital Group
Grant Samuel	1	1,900	Tianqi Lithium
PwC	5	1,092	Dongshan Investment, RM Williams, Zenith Energy
Azure Capital	8	947	ENGIE ANZ, Altura Mining, Elemental Infrastructure BidCo
Morgan Stanley	1	578	Shandong Gold
Bacchus Capital	1	565	Nordgold
Legal advisers	Number of deals	Value of deals (\$m)	Key clients
Ashurst	6	8,213	Northern Star Resources, Deterra Royalties
DLA Piper	12	6,623	Saracen Mineral Holdings, Nordgold, Resolute Mining
Norton Rose Fulbright	6	5,514	QGC Common Facilities Company, Windfield Holdings
Herbert Smith Freehills	9	4,136	IGO, Iluka Resources, ENGIE ANZ
King & Wood Mallesons	11	3,884	Alacer Gold, Shandong Gold, Brookfield
Clayton Utz	9	2,947	Tianqi Lithium, Tattarang, Invesco
HopgoodGanim Lawyers	20	2,502	Cardinal Resources, Aeris Resources
Allen & Overy	9	1,649	Total Oil, Mitsubishi Corporation, Pilbara Minerals
Gilbert + Tobin	21	1,038	Cardinal Resources, RM Williams
Corrs Chambers Westgarth	15	474	Pilbara Minerals, NRW Holdings, Perseus Mining
Thomson Geer	14	408	Resolute Mining, Primero Group, Cassini Resources
HWL Ebsworth	22	362	Chifeng Jilong Gold Mining, Dacian Gold

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M&A deals shift the dial

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insolvent since at least 6 February 2020.

The Cor Cordis report said two parties submitted bids for Altura, though the second bid was withdrawn after it made further inquiries.

Cardinal had a team of four financial advisers – along with HopgoodGanim Lawyers – helping it deal with three takeover offers (and a fourth unsolicited proposal).

Chinese company Shandong Gold ended up winning the takeover battle, though only after lifting its bid price several times.

Azure Capital continued to rank as one of the busiest corporate advisers in the local market, working on eight transactions during the year.

This included helping Altura with its failed refinancing.

PCF Capital Group was another busy adviser, working on six transactions in the junior mining sector.

Sydney-based Grant Samuel and global banking group Standard Chartered ranked high on deal value after advising on one transaction – IGO's Tianqi deal.

Legal advisers

Ashurst topped the rankings for law firms, after advising on six transactions worth \$8.2 billion.

By far the biggest was advising Northern Star.

It was followed by DLA Piper, which advised on 12 transactions worth \$6.6 billion.

Its major clients included Saracen, Nordgold, Resolute Mining and Genesis Minerals.

Other law firms that ranked high on deal value included Herbert Smith Freehills (which advised IGO) and King & Wood Mallesons (which advised Shandong Gold).

HopgoodGanim was one of the busiest law firms, advising on 20 transactions worth \$2.5 billion.

As noted above, this included advising Cardinal Resources on three separate takeover bids.

Gilbert + Tobin also had a busy year, advising on 21 transactions.

Clayton Utz's WA practice gained a boost from its relationship with Andrew and Nicola Forrest's private company Tattarang.

It advised on six purchases by Tattarang, including its purchase of boot maker RM Williams.

A new addition to the list is Thomson Geer, which bought

Perth firm LSV Borrello in June 2019 and poached most of DLA Piper's corporate team in August last year.

As a result, DLA Piper and Thomson Geer both worked for the same clients on the same transactions at different times.

The *Business News* database also highlights the top public relation firms in the local market, including FTI Consulting, Cannings Purple, Citadel-MAGNUS and Read Corporate.

Deal outlook

Mr Stanning said there would be two key drivers for M&A activity in 2021.

"I see more consolidation where there are logical deals to be done in Australia, across both gold and battery minerals," he said.

"Shareholders have shown they will be supportive, and companies get good re-ratings, on logical accretive deals that make sense for both parties."

He cited the Northern Star-Saracen deal, which brought together two companies that were already joint owners of Kalgoorlie's Super Pit.

"Investors will support nil or low-premium transactions if the assets end up in the best hands."

Mr Stanning also anticipates renewed interest in offshore acquisitions, subject to COVID-19 vaccines allowing a resumption of international travel later this year.

"Some of our clients certainly will be looking offshore, so that leg of growth will open again."

Gilbert + Tobin partner Justin Mannolini anticipates a shift in 2021.

He said the major transactions of 2020 were logical mergers where management could extract incremental gains from operational synergies.

Mr Mannolini expects a different focus this year.

"I think you will start to see more step-out transactions," he said.

"That will be the theme that dominates M&A in 2021."

He cited the positive reaction to IGO's Tianqi deal, which included a 25 per cent stake in the world's largest lithium mine at Greenbushes.

"The market loves access to global, tier-one assets," he said.

Major Deals - 2020

EQUITY CAPITAL MARKETS (COMPLETED)						
Company	Transaction Type	Amount (\$m)	Lead managers	Lawyer	Public Relations	
Wesfarmers	Block trade of Coles shares	1,067.5	Goldman Sachs, UBS			
Wesfarmers	Block trade of Coles shares	1,051.0	Macquarie Capital, UBS			
Newcrest Mining	Placement + share purchase plan	1,000.0	Macquarie Capital (JLM)		Citadel-MAGNUS	
IGO	Placement + entitlement offer	765.7	Citigroup, Macquarie Capital	Herbert Smith Freehills	Citadel-MAGNUS	
Lynas Rare Earths	Placement + entitlement offer	425.3	Canaccord Genuity, Merrill Lynch	King & Wood Mallesons		
Coronado Global Resources Inc	Placement + entitlement offer	250.0	Goldman Sachs (JLM)			
Pilbara Minerals	Placement + entitlement offer	240.0	Macquarie Capital	Allen & Overy	Read Corporate	
Resolute Mining	Placement	171.0	Canaccord Genuity	DLA Piper		
Kape Technologies	Placement	161.0		Corrs Chambers Westgarth		
Galaxy Resources	Placement + entitlement offer	160.7	Canaccord Genuity, UBS	Ashurst, Herbert Smith Freehills (for joint lead manager)	Cannings Purple	
Emeco Holdings	Entitlement offer	149.2	Goldman Sachs, Macquarie Capital	Hogan Lovells		
Geopacific Resources	Placement	140.0	Petra Capital, Sprott Private Wealth	Corrs Chambers Westgarth		
Bellevue Gold	Placement + share purchase plan	135.0	Canaccord Genuity, Macquarie Capital	HWL Ebsworth Lawyers, Herbert Smith Freehills (for JLMs)	Read Corporate	
Red 5	Placement	125.0	Petra Capital	HopgoodGanim Lawyers, HWL Ebsworth Lawyers (for lead manager)	Read Corporate	
De Grey Mining	Placement	100.1	Argonaut, Canaccord Genuity		Fivemark Partners	
Chalice Mining	Placement	100.0	Bell Potter Securities, Macquarie Capital	HWL Ebsworth Lawyers, Herbert Smith Freehills (for JLMs)	Read Corporate	
Salt Lake Potash	Placement + entitlement offer	98.5	Canaccord Genuity, Euroz Hartleys	HWL Ebsworth Lawyers, Gilbert + Tobin		
Dacian Gold	Placement + entitlement offer	98.4	Canaccord Genuity, Macquarie Capital	Corrs Chambers Westgarth, Ashurst (for JLMs), Allen & Overy (US counsel)		
Panoramic Resources	Placement + entitlement offer	90.1	Canaccord Genuity, Morgans Financial	Gilbert + Tobin, Ashurst (for Western Areas), HWL Ebsworth (for JLMs)	Fivemark Partners	
Sezzle Inc	Placement + share purchase plan	86.3		Squire Patton Boggs		
Gascoyne Resources	Placement	85.2	Canaccord Genuity	Herbert Smith Freehills		
Piedmont Lithium	Public offer	81.2	Canaccord Genuity, Evercore Partners	Thomson Geer		
MMA Offshore	Placement + entitlement offer	80.0	Canaccord Genuity (JLM)	Ashurst, Clarendon Lawyers (for JLMs), Allens (for lenders)	FTI Consulting	
AEX Gold	AIM listing	77.4		Corrs Chambers Westgarth		
MERGERS & ACQUISITIONS (ANNOUNCED)						
Bidder	Target	Value (\$m)	Bidder Financial Adviser	Bidder Lawyer	Target Financial Adviser	Target Lawyer
Northern Star Resources	Saracen Mineral Holdings	5,800.0	Sternship Advisers	Ashurst	Macquarie Capital	DLA Piper
Global Infrastructure Partners Australia	Queensland Curtis LNG Common Facilities	3,300.0				Norton Rose Fulbright
SSR Mining Inc	Alacer Gold Corp	2,600.0				King & Wood Mallesons
IGO	49% of Tianqi Lithium Energy Australia	1,900.0	Standard Chartered Bank	Herbert Smith Freehills	Grant Samuel	Clayton Utz, Norton Rose Fulbright
Deterra Royalties	Iluka Resources	1,800.0		Ashurst	Gresham Partners Macquarie Capital	Herbert Smith Freehills
Total Oil Australia	50% of Adani Green Energy's solar portfolio	759.0		Allen & Overy		
Dongshan Investment	Cardinal Resources	645.4	PwC	PwC	BMO Capital Markets, Canaccord Genuity, Euroz Hartleys	HopgoodGanim Lawyers
Shandong Gold	Cardinal Resources	578.2	Morgan Stanley Wealth Management	King & Wood Mallesons	BMO Capital Markets, Canaccord Genuity, Euroz Hartleys	HopgoodGanim Lawyers
Nordgold	Cardinal Resources	564.8	Bacchus Capital	DLA Piper	BMO Capital Markets, Canaccord Genuity, Euroz Hartleys	HopgoodGanim Lawyers, Gilbert + Tobin
Engineers & Planners	Cardinal Resources	564.8			BMO Capital Markets, Canaccord Genuity, Euroz Hartleys	HopgoodGanim Lawyers
Mitsubishi Corporation	30% stake in the Mantoverde copper mine in Chile	447.0	RBC Capital Markets	Allen & Overy		
Infrastructure Capital Group	Australian Renewable Energy Trust	400.0	Gresham Advisory Partners	Ashurst	Azure Capital	Herbert Smith Freehills
Invesco	50% of Brookfield's Chevron Tower	400.0		Clayton Utz		King & Wood Mallesons
Pilbara Minerals	Altura Mining	245.0	Macquarie Capital, Sternship Advisers (for RCF)	Allen & Overy, Corrs Chambers Westgarth	Azure Capital	Clayton Utz
Automic Group	Security Transfer Australia	WND			Ventnor Capital	HWL Ebsworth Lawyers
BGC Australia	Midland Brick brand and its manufacturing operations	WND		Clifford Chance, Hotchkin Hanly		Squire Patton Boggs
BHP Nickel West	Norilsk Nickel' Honeymoon Well project	WND				HWL Ebsworth Lawyers
	Chevron's 16.67% stake in North West Shelf Venture	WND			UBS	
Madison Dearborn Partners	55% Ownership Stake in APM Group	WND		Allens	Citibank	Gilbert + Tobin
Programmed Skilled Workforce	Kelly Services Australia Pty Ltd and Kelly Services (New Zealand) Limited	WND		Ashurst		Baker McKenzie
Viburnum Funds	Cranecorp Australia Holdings	WND		Norton Rose Fulbright	Azure Capital	Lavan

Corporate Finance

SPECIAL REPORT

Data & Insights

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Ringing endorsement for Infinity lithium play in Spain

full project financing. It says the San Jose hard-rock project has the potential to be a beacon for ... Infinity Lithium Corporation Ryan Parkin ...

Barton lands top guns in executive expansion

currently holds senior finance roles at several publicly listed mining companies and is also Chief Financial ... finance executive in the resources sector are extensive. Their contributions and insights will be ... invaluable as the company pursues its project and corporate development objectives." Barton has been chipping ...

A tax storm is brewing

across the State are aware that a large and growing new class of corporate entity, 'the zombie', will at ... 'zombie corporation', there is little doubt they will cause many still alive to join their deceased ranks ... corporate PAYG, super and even now GST liabilities on the Director debt action menu. Add BAS returns filed ...

Ledge Finance Ltd Announces Successful Management Buyout

large corporates to review and restructure banking and finance facilities. We partner with businesses, to ... By BN Announcements Thought Leadership Ledge Finance Ltd (Ledge) has announced that Chief ... a market leader in providing a complete suite of debt solutions to the SME & Corporate markets. "I'm ...

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the Future of the Corporation. Mayer, a former economist and finance professor, is an ambitious ... Jody Nunn Business Advice (Sponsored Content) Board & Director Performance A clear corporate ... organising principle. Livingstone told the annual New South Wales Supreme Court Corporate and Commercial Law ...

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