

Buxton another exploration attraction for busy Independence

INDEPENDENCE Group has added another exploration play to its portfolio with a A\$4 million equity investment in greenfields explorer Buxton Resources.



Buxton and JGO will team up to explore Double Magic.

Finance > M-a

Comments

Share

Michael Quinn

Buxton's success at its mainstay Merlin-Double Magic nickel-copper prospects in northern Western Australia has attracted both an equity investment and a 24-month option for Independence to form a joint venture and earn a 70% stake in the ground.

To achieve that ownership Buxton is free carried to completion of feasibility work, with Independence required to spend \$8 million over four years.

Buxton will continue to manage the work at Merlin.

The two companies have also agreed on a regional earn-in arrangement whereby Independence can earn an 80% stake in other ground held by the junior by spending \$3 million over four years.

The equity being bought by Independence sees new shares being issued at a price of 20c, a 35% premium to Buxton's recent share price for a 15% stake in the junior.

Independence will also underwrite any rights issue by Buxton over the next 12 months to the value of \$2.28 million.

The deal comes with Buxton of the belief its ground in the West Kimberley is a "fertile and unexplored" new nickel-copper-cobalt- platinum group element province.

Independence's deal with Buxton follows another equity investment and joint venture transaction announced earlier this month with Encounter Resources.

Independence's wider exploration portfolio extends to investments and/or joint ventures to multiple other companies including Moho Resources, Orion Minerals and Prodigy Gold.

The announcement of today's deal saw Buxton's shares gain 18% to 16.5c, capitalising the company at \$19 million.

The stock was at levels around 13c 12 months ago and 20c in mid-2018.



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