

Mandate of Goldman Sachs for \$175 million project finance

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NICOSIA, Cyprus, March 5, 2012 /[CNW Telbec](#)/ - [EMED Mining Public Limited](#) ("EMED Mining" or the "Company"), the Europe-based minerals development and exploration company, is pleased to announce that it has formally mandated Goldman Sachs International ("Goldman Sachs") on an exclusive basis to provide and/or arrange up to US\$175 million of finance to the Company or a subsidiary (together the "EMED Group") for the restart of the Rio Tinto Copper Mine. This financing is intended to be in the form of a copper pre-sale agreement and complements the recently announced capital and copper sale arrangements planned with Yanggu Xiangguang Copper Co. Ltd ("XGC").

Highlights of mandate awarded to Goldman Sachs

- The parties have agreed indicative non-binding terms of the facility whereby the EMED Group would be provided with an up-front payment of up to US\$175 million and EMED Mining would deliver the equivalent value of copper to Goldman Sachs on a monthly basis over a seven year term in accordance with an agreed schedule. Based on current indicative pricing, such deliveries would represent approximately 15% of the planned Rio Tinto copper production (contained in concentrate) over the delivery period. The facility would allow the EMED Group to hedge higher proportions of production but it would have no obligation to do so.
- The quantum of US\$175 million provides for previously reported project capital estimates supplemented by contingency provisions for the expanded land footprint agreed with the Andalusian Government, anticipated revisions in equipment specifications or prices, foreign exchange movements and working capital buffers. A detailed break-down will be updated and reported in due course when the conditions of regulatory permits are confirmed and detailed engineering and procurement can be finalised.
- It is currently contemplated that the provision of any funding to the EMED Group would be subject to the satisfaction of certain conditions precedent including the grant of Administrative Standing from the Andalusian Government, satisfactory due diligence by Goldman Sachs and entry into definitive documentation. It is envisaged that the obligations of the EMED Group, including the delivery of the scheduled quantity of copper, will be secured by first-ranking charges and mortgages over the Rio Tinto Mine and the shares of certain subsidiaries of the Company together with a parent company guarantee.
- The indicative terms which have been agreed are similar to those of traditional project financing facilities in such matters as security, conditions precedent for drawdown and pricing. However there is no current requirement for further equity capital or for hedging additional to that which covers the copper pre-sold to Goldman Sachs. Discussions continue between the Company and Goldman Sachs and further disclosure will be made following the entry into definitive documentation relating to the facility.

Other Highlights:

- Triggering of land access. The Company has been provided limited rights of land occupation for preservation of public safety at the tailings management facility, but it awaits the grant of Administrative Standing in order to trigger the expropriation process which will secure land occupation for full operations.
- Project approvals. The Company has informally resolved environmental and technical conditions with the regulators and has accordingly lodged the updated environmental management plans (Autorización Ambiental Unificada (Unified Environmental Authorisation) for formal procedures to continue.
- Madrid Reviews. The Andalusian Government has referred the project documents to the Instituto Geológico y Minero de España (Geological and Mining Institute of Spain) and the Centro de Estudios y Experimentación de Obras Públicas (Study and Experimentation of Public Works Centre) for review by Spain's peak central government technical review bodies.
- Site and project preparation procedures. The Company has announced that it has prepared, for repairs and testing, most of the plant for completion of capital estimates and project finance. Other preparations, including personnel training schemes, will be triggered upon the grant of Administrative Standing so that

timetables can be duly committed.

Harry Anagnostaras-Adams, the Managing Director of EMED Mining said, "The arrangements with Goldman Sachs complement those recently announced with leading Chinese smelter group XGC and together represent more than \$200 million of potential additional project funding. The Company appreciates the support provided by these organisations, and, next to that of our existing shareholders such as Resource Capital Funds, RMB Resources Australia and Royal Bank of Canada, represents a strong foundation for the development and long term operation of the Rio Tinto Mine."

Cautionary Notes

This announcement contains "forward looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the future price of metals, the estimation of ore reserves and resources, the conversion of estimated resources into reserves, the realization of ore reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Accordingly, readers should not place undue reliance on forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; the future costs of capital to the Company; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, terrorist attacks, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in the Company's annual information form.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward looking statements contained herein are made as of the date of this announcement and the Company disclaims any obligation to update any forward looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.

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