

Wits Gold together with Pan African Resources to acquire the operating Evander Gold Mine from Harmony for ZAR1.7 billion

30.01.2012 | [CNW](#)

JOHANNESBURG, Jan. 30, 2012 /CNW/ - [Witwatersrand Consolidated Gold Resources Limited](#) ('Wits Gold') and [Pan African Resources plc](#) ('Pan African'), collectively the 'Consortium' announced today that they have entered into an agreement with [Harmony Gold Mining Company Limited](#) ('Harmony') to acquire 100% of Harmony's interest in Evander Gold Mines Limited ('Evander'), in a 50/50 joint venture, for a total Transaction consideration of ZAR1.7 billion (C\$210 million)¹ less any distributions made by Evander to Harmony prior to the closing date of the Transaction.

The Transaction represents an attractive value proposition to the Consortium and will provide Wits Gold with an immediate increase in attributable gold resources and reserves. Undertaking this Transaction as a Consortium has created the opportunity for Wits Gold to bid for a better quality asset, at a lower risk and financial exposure to the company.

Located in a sub-basin outside the main Witwatersrand Basin in South Africa, the Evander gold field has historically produced in excess of 48Moz of gold at an average grade of 7g/t. Well known to both management teams, the mine comprises, amongst others the operating 8 shaft, three development projects (Evander South, Rolspruit and Poplar), the Kinross metallurgical plant and the Libra surface tailings project. The mine was recently returned to profitability with production of 27,500 ounces at a cash cost of ZAR208,597/kg (US\$909/oz) in the latest quarterly figures reported by Harmony.

The board of directors of Wits Gold believes that the Transaction further represents an opportunity for Wits Gold to move from an exploration specialist to an emerging mid-tier gold producer, with related cash flows. The Transaction represents the first step into delivering into Wits Gold's new strategy with this move to producer status, while the cash generated may be utilised to fund part of Wits Gold's advanced development projects. The purchase consideration of ZAR1.7 billion (C\$210 million)¹, less any distributions made by Evander to Harmony between 1 April 2012 and the closing date of the Transaction ("Closing Date") by way of dividends, capital reduction or share repurchases, will be payable as follows:

- ZAR1.4 billion (C\$181 million)¹ less certain distributions, in cash on the Closing Date of the Transaction;
- Four cash payments of ZAR25 million (C\$3.2 million)¹ each, payable quarterly and commencing three months after the Closing Date, amounting to a total of ZAR100 million;
- A further ZAR100 million (C\$12.9 million)¹ payable 19 months after Closing Date, provided the average rand gold price exceeds ZAR410,000 per kg* over the 12 preceding months. This payment can be made in either cash or shares (or a combination of both) at the election of the Consortium and should the Consortium elect to make payment wholly or partially in shares, each of Pan African and Wits Gold will issue shares to Harmony in equal value proportions; and
- ZAR100 million (C\$12.9 million)¹ payable 31 months after Closing Date, provided the average rand gold price exceeds ZAR450,000 per kg* during the preceding 12 months. This payment can be made in either cash or shares (or a combination of both) at the election of the Consortium and should the Consortium elect to make payment wholly or partially in shares, each of Pan African and Wits Gold will issue shares to Harmony in equal value proportions.

* No payment will be due if the average gold price for the period was not achieved

The individual Consortium members intend utilising a combination of debt, equity and operational cash flows to settle the Transaction consideration. The Consortium will benefit from Pan African's specialist operational skill set and from Wits Gold's specialist exploration expertise, as well as the mining experience of both companies' Chief Executive Officers. The Consortium will jointly control and manage the operations through a steering committee with equal representation from both companies.

Philip Kotze, CEO of Wits Gold commented: "This Transaction allows Wits Gold to become a producer overnight and the cash generated from this operation will be utilised to partly fund our growth projects.

Forming a partnership with Pan African has enabled both companies to make an offer for a better quality operating asset with significant upside potential. We look forward to working together with our partners to provide the best value for all our shareholders".

Please refer to the detailed SENS announcements released by each of the companies earlier today for further details of the Transaction.

1. Exchange rates quoted as at close of business 27 January 2012 of C\$1.00:ZAR7.74
2. Reserves and Resources quoted from Harmony 2011 Annual Report which is SAMREC and JORC compliant.

Johannesburg
30 January 2012

JSE Sponsor to Wits Gold Limited
PricewaterhouseCoopers Corporate Finance (Pty) Limited

NOTES:

About Pan African

Pan African is a South African based precious metals mining group that produces approximately 100,000 ounces of gold and 12,000 ounces of Platinum Group Metals per annum, with a focus on low costs and high margin. The company is focused on increasing productivity through stringent efficiency and safety improvements. Recently the company announced that headline earnings per share for the six months ended 31 December 2011 are expected to be between 83 per cent and 93 percent higher than the 0.52 pence per share generated for the six months ended 31 December 2010, due to the current gold price and also as a result of managements operational improvements and cost control at their gold producing asset, Barberton. The company has recently commissioned the Phoenix chrome tailings retreatment plant that extracts Platinum Group metals from chrome tailings and is planning to build a 1.2Mt per annum gold tailings retreatment plant at its Barberton Mining Operations.

About Wits Gold

Wits Gold is a gold and uranium company which holds 14 new order Prospecting Rights over 1,195km² in the southern Free State, Potchefstroom and Klerksdorp goldfields of the Witwatersrand Basin. The Company is currently focused on fast-tracking the development of its shallow DBM Project in the southern Free State goldfield, where a pre-feasibility study is currently in progress. The acquisition of the share in Evander Gold Mines will result in Wits Gold becoming South Africa's newest gold producer, and delivers into the Company's strategy to acquire producing assets with growth potential.

FORWARD LOOKING STATEMENTS

Certain statements in this news release may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "likely", "anticipate" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Forward looking information in this release includes, but is not limited to, statements regarding details of the Consortium, the terms and conditions of the Transaction, the Acquisition Agreement, the Sale of Business Agreement, the Shared Services Agreement, and anticipated timing and benefits of the Transaction.

Forward-looking information involves known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the companies to be materially different from the future results, performance or achievements expressed or implied by such forward looking information. Such risks, uncertainties and other important factors include among others: not satisfying the conditions precedent, including receipt of all necessary approvals, including all regulatory and shareholder

approval; economic, business and political conditions in South Africa; decreases in the market price of gold; hazards associated with underground and surface gold mining; the ability to attract and retain qualified personnel; labor disruptions; changes in laws and government regulations, particularly environmental regulations and mineral rights legislation including risks relating to the acquisition of the necessary licences and permits; changes in exchange rates; currency devaluations and inflation and other macro-economic factors; risk of changes in capital and operating costs, financing, capitalisation and liquidity risks, including the risk that the financing required to fund the Transaction and all currently planned exploration and related activities may not be available on satisfactory terms, or at all; and the ability to maximize the value of any economic resources. These forward-looking statements speak only as of the date of this news release.

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The companies undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events except where required by applicable laws.

For further information:

Philip Kotze
CEO: Wits Gold
+27 11 832 1749

Hethen Hira
Executive, Investor Relations: Wits Gold
+27 11 832 1749

Russell and Associates: Nicola Taylor
+27 11 880 3924
For and on behalf of Wits Gold
Transaction adviser and JSE Transaction Sponsor
Macquarie First South Capital (Pty) Limited

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/118545--Wits-Gold-together-with-Pan-African-Resources-to-acquire-the-operating-Evander-Gold-Mine-from-Harmony-for-ZA>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinen](#).