

Intrepid Mines Limited: Company to Seek Shareholder Approval for On-Market Share Buy-Back of Maximum 20% of Shares

02.03.2015 | [Marketwired](#)

SYDNEY, AUSTRALIA--(Marketwired - Mar 2, 2015) - [Intrepid Mines Ltd.](#) (ASX:IAU) ("Intrepid" or the "Company") advises that the Company intends to seek shareholder approval at its Annual General Meeting ("AGM"), to be held in May 2015, to undertake an on-market buy-back of a maximum of 20% of the Company's ordinary shares.

This decision follows a review of the Company's forward program and budget for the Kitumba project that takes account of the prevailing copper market conditions, and also recognises that the Company is currently trading at a discount to cash backing.

In seeking the approval, the Company's Board is aiming to ensure that the Company has the flexibility to take the course of action which presents the best business opportunity and maximises shareholder value, while ensuring that ongoing activities at the Kitumba project are adequately funded.

Background

In the normal course of business, the Company would have been able to undertake an on-market buy-back of a maximum of 10% of the Company's ordinary shares, without seeking shareholder approval.

However, the scheme of arrangement which effected the merger of Intrepid with [Blackthorn Resources Ltd.](#), which was implemented in December 2014, incorporated a buy-back of Intrepid shares totalling A\$110 million. The provisions of the Australian Corporations Act therefore prevent the Company from conducting any further share buy-back without first seeking shareholder approval.

Rather than incurring the additional expense of an Extraordinary General Meeting ("EGM") prior to May 2015, the Company will seek the requisite approval at the AGM in May 2015.

Rationale

The decision to seek approval to buy back up to 20% of the Company's ordinary shares is based on the following factors:

Copper market softening

The current copper price is such that attracting potential investors to copper projects is becoming increasingly difficult. While the Company remains optimistic about the potential for copper price increases in the longer term, it has decided to review the schedule and budget for the work on the Kitumba project forward program to allow feasibility work to progress in a staged manner, aimed at enhancing project economics and generally making the project more robust within a weaker copper price environment.

Share price

As with many junior and small-cap explorers and developers, the Company's shares are currently trading at a discount to cash backing. The Company's Board is of the view that, if this continues, buying back some of

the Company's ordinary shares would be a prudent use of capital, given that the current cash holding of ~A\$70 million is in excess of what is required to progress work at Kitumba and nearby exploration targets.

On market share buy-back - process and timing

If shareholder approval is granted in May 2015 for the conduct of an on-market buy-back of up to 20% of Intrepid shares, the Company would review prevailing market conditions, business development opportunities and its cash position, prior to commencing the buy-back process, and would implement the buy-back at such time and in circumstances which would allow for the efficient management of the Company's capital. Any shares purchased by the Company in the buy-back would be cancelled in due course.

Intrepid Chairman, Ian McMaster, said: "Seeking shareholder approval to buy back shares is a prudent capital management response to a significant softening of the copper price and weakness in the small-cap equities market, where companies such as Intrepid are undervalued. Exactly how many shares within the approved limit will be bought back, and over what timeframe, will depend on a range of factors. However, I am very pleased that we have sufficient cash reserves to be in a position to take this action while continuing to take the Company forward and progress the Kitumba project in a measured way."

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/193372--Intrepid-Mines-Limited--Company-to-Seek-Shareholder-Approval-for-On-Market-Share-Buy-Back-of-Maximum-20>

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