# Dual listing the price Westgold has to pay for deal - DATA ROOM

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## Body

Wayne Bramwell's grand plans for Westgold ***Resources*** look to be finally coming to fruition with his $2.2bn merger with Karora, but some believe it's come at a cost.

One of the conditions of the transaction that the seasoned mining executive probably agreed to begrudgingly was creating a dual listing on both the Australian Securities Exchange and Toronto Stock Exchange.

Karora is TSX-listed and is likely to have insisted on this condition to appease its own shareholders, which would not want to own stock in an exchange that does not trade in the same time zone.

Companies don't like such arrangements, because shareholders either flock to one exchange or the other, causing the stock on one of the markets to struggle.

It's seen as the most likely reason why exclusive talks between ***Ramelius*** ***Resources*** and Karora ended.

African gold miner Perseus and Patriot Battery Metals are listed both here and in Canada.

Westgold has been talking to Karora for over a year.

The view around the market is that Westgold has agreed to a big price. It now has to prove itself with its ambitious plan to take its production level to 500,000 ounces of gold annually.

But if it pulls it off, it will become the third-largest gold miner in Australia.

So far it has impressed, with the once embattled Westgold ***Resources*** soaring in value from $300m to over $1bn under Mr Bramwell's leadership.

And one of the reasons it is interested is it believes Karora had been producing 170,000 ounces of gold, when it should have been producing about 200,000, as it had earlier forecast.

Gold miners are currently cashed-up on the back of the buoyant gold price. Now the question is whether ***Ramelius Resources*** pounces on Spartan ***Resources*** (formerly Gascoyne), which is said to be on its radar given the close proximity of its assets to Spartan's.

Yet the speculation has been around for a while and it is still to move, leaving some to think ***Ramelius*** sees Spartan as over-priced for now.

As gold mining consolidation continues apace, the other deal some believe will play out over the medium term is an acquisition by Northern Star of the $2.5bn De Grey Mining.

Northern Star's first priority is rebuilding the processing plant of the Super Pit gold mining asset that it owns, but after that attention will likely turn to De Grey.

This is why many found its presence at Newcrest's Telfer mine and Havieron processing facility on a site visit in recent weeks curious.

Northern Star sources say it has no interest in Telfer, but it's very close to De Grey's assets, so perhaps it was there while on a De Grey site visit, determining whether gold could be processed there.

Meanwhile, the terms of Westgold's deal will see Karora shareholders receiving 2.524 Westgold shares and 68c cash a.

The offer represents about $6.60 per Karora share based on Westgold's closing share price on the ASX of $2.28 on April 5.

It represents a 10.1 per cent premium to Karora's closing share price on the TSX of $5.99 ($C5.36) on April 5.

Westgold shareholders will own 50.1 per cent of the combined company. Westgold, advised by Argonaut and currently producing about 220,000 ounces of gold from its underground and open pit mines in Western Australia, says the business is capable of producing 400,000 ounces of gold per annum from Western Australia assets and estimates operating synergies of $209m and estimated corporate savings of $281m. The Beta Hunt underground mine, 600km from Perth, is the jewel in Karora's crown with its gold potential.

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