



Actress with the Midas touch joins gold rush

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Body

All that glitters seems to turn to gold for former Neighbours and 2002 Kiss Kiss pop star Holly Valance - and now she and her husband, British billionaire Nick Candy, are backing gold as the next way to grow their fortunes.

This month, a firm the two control which is listed on London's Aim Market, Metals Exploration, lobbed a Â£67.5m (\$108m) bid for fellow Aim-listed Condor Gold. It's just the latest in a string of takeover plays in the sector both in Australia and abroad as companies look to bulk up on the back of record high gold prices.

In Australia this month, one of the biggest gold companies, Northern Star **Resources**, announced a scrip-only merger with De Grey Mining - which is yet to produce a bar of gold - in a proposed deal to create a \$5bn miner. And West Australian gold explorer Spartan **Resources** announced a \$220m capital raising, which it said was for exploration and mine development. The company is building up a war chest after itself being the target of fellow miner **Ramelius Resources**, which grabbed 17.9 per cent of its shares in a surprise raid in July.

One of the nation's biggest market makers says there will "probably" be more consolidation in the short term. He declined to be named for this article.

"We think it makes sense," the unnamed fund manager says. "There's a big premium for size. Larger companies trade at higher multiples." Companies such as **Ramelius**, Genesis Minerals and Westgold **Resources** are potential bidders for targets such as Spartan, and Vault Minerals and Pantoro, which his firm holds shares in.

Sharing his prediction of takeovers in the gold industry is funds firm Capital Outcomes.

"We anticipate further consolidation is likely to occur in the Australian gold market," says Capital Outcomes chief investment officer Emanuel Datt. "We expect most of the consolidation to occur among the Australian mid-tier gold players." Datt predicts the hunters will be **Ramelius**, Westgold and Perseus Mining and their targets could be Spartan **Resources**, Bellevue Gold and Predictive -Discovery.

Gold is hot right now (as a pop starlet might say) because the global markets believe risks are rising. Gold is viewed as an investment safe haven in a world where the conflict in the Middle East has never looked further from ending,

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the war in Ukraine continues, and as markets try to predict which countries US president-elect Donald Trump may choose to either punish or praise.

In addition, many central banks, such as the People's Bank of China have been buying gold to diversify their holdings away from US bond markets.

Predicted interest rate cuts in Australia and globally may lead to a further hike in the gold prices as investors look to escape falling yields from bonds. "Gold prices remain high with a strong fundamental outlook," says Datt.

The price of gold hit record highs several times this year, reaching \$US2790 in October.

For gold companies looking for the scale to attract the attention of large investors, this bullish outlook gives them the confidence to make capital plays that might otherwise seem too risky. "We have observed an increase in risk appetite among the acquirers, case in point being Northern Star acquiring De Greys, which holds a large orebody with a complex processing flowsheet," says Datt.

The fact that even exploration-only miners are starting to attract greater attention also reflects the increased difficulty of starting new mines. Four months ago, West Australian gold miner Regis **Resources** saw its \$1bn project in NSW blocked by Environment Minister Tanya Plibersek in a surprise Indigenous heritage ruling.

Goldman Sachs head of metals & mining Gavi Friedland believes the balance is shifting towards companies that have mines or project approvals in place.

"We may now see this materialise in an environment where it is generally cheaper to 'buy versus build'," says Goldman Sachs Australia head of metals & mining Gavi Friedland.

"The lack of genuine 'bolt-on' growth opportunities means mid-cap miners are considering consolidation to increase scale and provide a platform to pursue larger M&A opportunities that may be out of reach today,' he says.

"M&A pairing brownfield and greenfield mining deposits with underutilised mills is sensible and comes with synergy potential." All this predicted gold consolidation relies on the idea gold prices will remain high. So where too next for the gold price?

IG Senior Technical Analyst Axel Rudolph believes it's likely to go up to as much as \$US2900 and potentially hit \$US3000 in the first quarter of 2025.

"The gold price is likely to trade around the \$US3000 mark for several months as it represents a major psychological resistance level as a round number for many investors," Rudolph says. "Physical gold purchases by several central banks, and especially by China, are likely to continue until this threshold is reached. Were these purchases of gold bullion to continue beyond the \$US3000.00 technical level, then \$US3113.00 could be reached as well." It augers well for former Melburnian Valance. The firm she part owns with husband Candy - Metals Exploration - expects to produce 80,000 ounces of gold from its mines in The Philippines this year and its target Condor owns gold mines in Nicaragua. The former actress and singer seems to have a great track record with timing, starring in Neighbours in its prime, sticking to just one well-timed pop album, marrying a property mogul, becoming a very early anti-woke antagonist and backing Trump way back in 2022 when he looked more likely to go to jail than become the leader of the free world again.

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