



Perseus drops out of the contest for Ghana asset - DATA ROOM

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Body

African gold miner Perseus is out of the contest for Newmont's Akyem gold mine in Ghana, with Chinese parties said to be strongly placed to bid top dollar for the asset that was earlier estimated at about \$1bn.

The sale process run by investment bank Citi is understood to be in the late stages, with global groups competing for the mine that is capable of producing 422,000 ounces of gold annually.

The understanding is that Perseus looked at Akyem, although the company has never publicly confirmed this, with chief executive Jeff Quartermaine saying only "it is in our back yard" when asked.

Perseus in April purchased the listed OreCorp for \$270m, or 57.5c per share, and is now focused on developing its Nyanzaga Project in Tanzania, capable of producing 295,000 ounces of gold per annum.

It adds to its three operating gold mines in West Africa, including two in the Cote d'Ivoire and one in Ghana.

Perseus reported a 21 per cent increase in its net profit for the six months to December on the previous corresponding period to \$US164.7m and expects to generate more than 491,000 ounces of gold for the year to June. Another key area of focus has been the development of its CMA mine pit underground extension to the Yaoure Gold Mine.

Meanwhile, Chinese groups may be in the strongest contention for Akyem when it comes to price, but Newmont will take into consideration whether the buyer is a responsible owner of the asset, so it may not get sold to the highest bidder.

Newmont is offloading mines globally following its \$24bn purchase of Australia's largest gold mining company Newcrest.

It is also working with advisory firm BMO to sell mines in Canada and North America, including the Musselwhite, Cripple Creek (US) and Eleonore (Canada) projects, potentially worth a combined \$1.5bn.

The contest is expected to attract North American miners.

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Last on the block will be Newmont's Telfer gold mine in Western Australia, which Macquarie Capital is mandated to sell. Greatland Gold has first right to buy the asset and there's been some market chatter that perhaps the negotiations are already afoot, despite floating at Telfer's tailings dam causing production delays.

There was also a suggestion that **Ramelius Resources** could be interested. However, judging by the trading in Spartan **Resources**, it appears **Ramelius**'s interest lies elsewhere.

The Australian listed gold miner that last year held merger talks with near-by rival Westgold **Resources** told the market on Thursday it had purchased 8.9 per cent of the \$994m listed gold miner Spartan after a major holding from Tembo Capital was on offer through Citi.

However, it added that it had no current intention to acquire control or make a takeover of the business that owns the Dalgara Gold Project, 65km northwest of Mt Magnet in Murchison, Western Australia, where **Ramelius** owns a gold processing hub.

Still, it gives **Ramelius** deal certainty should it be keen to move in on the target in the future.

DataRoom reported in April that Spartan was on the radar of **Ramelius**. Spartan was previously called Gascoyne and had to undergo a string of emergency equity raisings since 2019 following losses, with a mill far bigger than its production capacity being its downfall.

The strategic move by **Ramelius** resembles Silver Lake's with Red 5, buying 11 per cent last year ahead of a scrip merger deal later with the \$1.2bn company.

The share price of Red 5 post the merger has been lagging, down about 20 per cent in the past month and taking its market value to \$2.5bn. Some Silver Lake assets now part of Red 5 are also close to Spartan's. Australian listed gold mining companies are under pressure to consolidate to attract global institutional investors that want gold mining investment opportunities of scale.

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