

Gindalbie Metals Ltd

14:31 11 Mar 2019

Gindalbie Metals proposes demerger and sale transaction to focus on SA copper-cobalt project

Gindalbie Metals Ltd (ASX:GBG) has proposed to demerge its wholly-owned subsidiary Coda Minerals to Gindalbie shareholders and to sell Gindalbie to Chinese company Ansteel for a cash consideration.

If both transactions are implemented, Gindalbie shareholders will receive 2.6 cents for each Gindalbie share, representing a 90% premium to Gindalbie's 30-day volume weighted average price.

Gindalbie shareholders will also receive a pro-rata distribution of Coda shares at a ratio to be confirmed.

Coda will hold Gindalbie's Mt Gunson assets as well as \$10.64 million in cash less any incurred expenditure at Mt Gunson.

Culmination of productive discussions

Gindalbie non-executive chairman and non-executive chairman-designate of Coda Keith Jones said: "I am delighted to present the acquisition and merger proposals to our shareholders, which are the culmination of productive discussions and which I believe deliver a deal that is mutually beneficial for all parties.

"The acquisition and demerger allow Gindalbie shareholders to receive a cash price significantly higher than the current market price for their Gindalbie shares.

"[They will also] emerge with an ownership stake in an exciting new company that is focused on the Mt Gunson Copper-Cobalt Project.

"Coda intends to apply for listing on the ASX, with listing subject to all necessary regulatory approvals, and carry out fundraising in the short-to-medium term to strengthen its balance sheet."

Unanimous board recommendation

Gindalbie's directors intend to vote their relevant interests in favour of the resolutions and have unanimously recommended shareholders also vote in favour of each transaction.

The board believes the demerger will enable Gindalbie shareholders to retain exposure to Mt Gunson's exploration and development without the legacy issues of Gindalbie.

Coda's leadership team is to include Keith Jones and Gindalbie chief executive officer Chris Stevens, who is managing director-designate of Coda.

Price: A\$0.027

Market Cap: A\$40.49M

1 Year Share Price Graph



Share Information

Code: GBG

Listing: ASX

52 week High Low
A\$0.03 A\$0.01

Sector: MSN - General mining

Website: www.gindalbie.com.au

Company Synopsis:

Gindalbie Metals (ASX:GBG) is listed on the Australian Securities Exchange. .

Author:

Proactive Investors Australia

+61 (0)2 9280 0700

action@proactiveinvestors.com.au

Gindalbie's independent non-executive directors Paul Hallam and Robin Marshall are also proposed to join the Coda board and Ansteel also intends to nominate a director.

Strategic asset portfolio in SA

Coda currently holds the rights and interests under the Mt Gunson farm-in agreement to a substantial and strategic portfolio of tenements in South Australia.

Gindalbie announced its entry into the Mt Gunson farm-in agreement on March 12, 2007, and the agreement was renewed to Coda on May 21, 2018.

The farm-in tenements include the highly-prospective Mt Gunson project which is 100 kilometres south of BHP Billiton Ltd's (LON:BHP) Olympic Dam Copper-Gold-Uranium Mine and within 50 kilometres of OZ Minerals Ltd's (ASX:OZL) Carrapateena Copper Project.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

No investment advice

The information on this Site is of a general nature only. It does not take your specific needs or circumstances into consideration, so you should look at your own financial position, objectives and requirements and seek financial advice before making any financial decisions. You acknowledge and understand that neither the Company, its related bodies corporate, the information providers or their affiliates will advise you personally about the nature, potential value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter. You should read our FSG and any other relevant disclosure documents and if necessary seek persona advice prior to making any investment decision.

You understand and agree that no Content (as defined below) published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person.

You understand that in certain circumstances the Company, its related bodies corporate, the information providers or their affiliates may have received, or be entitled to receive, financial or other consideration in connection with promoting, and providing information about, certain entities on the Site and in communications otherwise provided to you.

You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate. From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

Before you act on any general advice we provide, please consider whether it is appropriate for your personal circumstances.