Gold Road Agrees to Gold Fields' Takeover

Gold Road Resources (ASX: GOR)

Has entered into a Scheme Implementation Deed with Gold Fields under which Gold Fields has agreed to acquire 100% of the issued share capital in Gold Road by way of a scheme of arrangement.

The current offer price equates to A$3.40 per share plus around a 35 cent special dividend paid at the end.

	Gold Road	**ASX : GOR**
	Stage	**Production (50% JV)**
	Metals	**Gold**
	Market cap	**A$3.57 Billion @ A$3.29**
	Location	**Laverton, Western Australia**
	Website	**www.goldroad.com.au**

Comment

Well Gold Fields has now offered the premium I wanted, so I guess I should be happy with that, and the funds can be put to use elsewhere, in stocks that are approaching production and which may rise more than Gold Road in percentage terms.

I'm certainly happier now with the premium, but tinged with sadness as this is my oldest holding, where I bought in around 2012, at 10c.

I am going to sell at least some in the near future, which will mean missing the final dividend but I hope to do better than that elsewhere, as I have a small list of new producers that should benefit from a price lift if they commence production on time and without any mishaps.

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Full announcement here

Highlights

▶ Fixed cash consideration of $./ for each GOR share.
▶Variable cash consideration equal to the GOR holding of NST shares (arising from the DEG stake) based on the prevailing 5 day VWAP immediately prior to the scheme becoming effective. As at 2 May this equates to $./.
▶These two components take the implied bid price to $./ and represent an effective bump on the initial bid of %.
▶GOR to declare a fully franked special dividend designed to utilise available franking credits at the time of distribution. At present this implies ~$./.
▶The Directors of Gold Road unanimously recommend that Gold Road shareholders vote in favour of the Scheme

Gold Road Chairman, Tim Netscher said:

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” – ….”

To read the full news release, please click HERE

To View Gold Road’s historical news, please click here

The live gold price can be found HERE

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Disclosure

At the time of writing the author holds shares in Gold Road Resources

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