

Press Cuttings

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Stockwatch: Pallinghurst shares surge 6%

Shares in Pallinghurst Resources soared more than 6% on Thursday morning after the company, together with the Industrial Development Corporation, the Bakgatla Ba Kgafela Tribe and Platmin announced a strategic partnership to create a major new player in the local PGM industry.



Image: Gallo Images
Pallinghurst Resources chairman Brian Gilbertson

At 10.50am on the JSE. Pallinghurst's shares were at 330 cents, up 20 cents, or 6.45%.

The partnership, which will create a major new PGM producer, involves the consolidation of the PGM interests controlled and owned by Pallinghurst and the Bakgatla tribe and will see the creation of a large, shallow and low-cost mining complex, with long life - in excess of 30 years.

The partners also plan to form a joint venture to explore and fund opportunities for PGM beneficiation and processing.

The entity will be an unhedged and debt-free producer, with a healthy balance sheet, including cash of US\$500 million.

The IDC has made a R3.24 billion (US\$420 million) investment for a 16.2% interest in the consolidated entity.