
Russian regulator clears Polymetal to buy Mayskoye gold field

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Interfax reported that the Russian Federal Antimonopoly Service has cleared Polymetal to buy 91% of the shares in Mayskoye Gold Mining Company, which holds the license to the Mayskoye gold field in Chukotka.

After receiving permission from the appropriate regulators, Polymetal plans to buy this stake for USD 95.55 million in cash or 15.925 million common Polymetal shares plus cash payment for adjustments related to re capitalization.

Mr Vitaly NesisGD of Polymetal said that the company expected to close the Mayskoye acquisition in the H2 of November. He said that "Unless there's some global change in the share price" the partners will probably choose the shares method as payment. In that case, the deal will be closed once Polymetal has placed an additional share issue for which a prospectus was registered in the middle of August."

Polymetal plans to unveil an updated feasibility study for the Mayskoye project in February 2010. At this stage, investment is estimated at approximately USD 150 million. The company expects Mayskoye to start producing gold in 2012 and that production will average at 6 tonnes to 7 tonnes of gold per year.

(Sourced from Interfax)

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