

Gold Fields sells Darlot mine

Gold Fields sold its unprofitable Darlot mine for A\$18.5m in cash and shares to Australian Stock Exchange-listed Red 5, which plans to use the mine's infrastructure as a central processing hub in Western Australia.



The mine was thrown into the purchase of nearby mines from Barrick in 2013 and has been a marginal mine at best, with no obvious growth potential or the possibility of becoming a cash generating asset.

Gold Fields is pouring money into the construction of the new Gruyere gold mine to supplement production from its three other Australian mines.

Darlot, which accounted for just 6% of Gold Fields' Australian output, posted a loss in the first quarter of 2017 and has been on the market for more than a year.

Red 5 will pay Gold Fields A\$12m (9.5% of cash) and pay the balance in shares, giving the South African company a 15% stake in the junior miner.

Source: Business Day