

Goldcorp Inc.

15:01 22 Mar 2019

Newmont's \$10B deal to buy rival Goldcorp undercut by major shareholder's opposition

Paulson and Co, an investment firm that owns 14.2 million shares of Newmont Mining Corp (NYSE:MEM), has taken issue with the company's planned acquisition of the Canadian miner Goldcorp Inc (NYSE:GG.) (TSX:G)

In January, the two companies agreed on a \$10 billion all-stock deal with the aim of creating the world's largest gold producer - a combined entity capable of producing up to 7 million ounces of gold per year.

Now, it turns out not everyone is thrilled.

Paulson wrote a letter late Thursday to Newmont CEO Gary Goldberg declaring his objections with the deal and calling for a nearly 23% reduction in its price. Under its current terms, the agreement pays a \$1.5 billion premium to Goldcorp shareholders, which Paulson called "unjustified given Goldcorp's poor performance."

Newmont shares were up 0.5% to \$34.49, while Goldcorp shares fell 3.6% to US\$10.76 on the NYSE and 3.6% to C\$14.41 on the TSX.

READ: Newmont Mining to create world's biggest gold producer by output with \$10bn deal to buy Goldcorp

Further complicating matters is the joint Nevada venture Newmont forged with rival Barrick Gold Corp (NYSE:GOLD) in March. If the merger goes through, Paulson says, Goldcorp shareholders will reap the rewards of the venture for free.

Paulson wrote that the firm would reconsider its position if the premium to Goldcorp was eliminated and the entire value of the Nevada joint venture was reserved for Newmont shareholders, which it believes reducing the price will achieve.

Goldcorp shareholders are scheduled to vote on the merger on April 4, and Newmont shareholders will follow on April 11.

Contact Andrew Kessel at andrew.kessel@proactiveinvestors.com

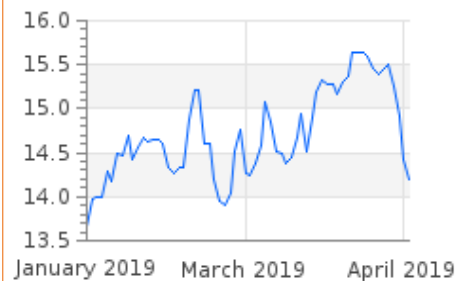
Follow him on Twitter @andrew_kessel

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 +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

1 Year Share Price Graph



Share Information

Code: G
Listing: TSX NYSE
Sector: Gold & silver
Website: www.goldcorp.com

Company Synopsis:

Goldcorp is one of the world's largest gold mining companies employing more than 9,000 people worldwide. Goldcorp has 16 operations and development projects focused throughout the Americas with over 70% of reserves in NAFTA countries.

action@proactiveinvestors.com

The Company is a publisher. You understand and agree that no content 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 the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. 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.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.