

Endeavour Mining Corp

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Endeavour Mining updates on Centamin deal prospect; plans due diligence

Endeavour Mining Corp (TSE:EDV) (OTCMKTS:EDVMF) reported that it continues to work on a possible merger with FTSE 250-gold miner Centamin PLC (LON:CEY), stating that the former's CEO and the latter's chairman had met in Australia to discuss the merits of the proposed transaction.

As reported on December 3, Endeavour lodged an all-share bid, saying the combination would "strongly benefit both sets of shareholders due to the compelling long-term value creation opportunity".

The board of the Egyptian gold firm then unanimously rejected the takeover approach, saying it was "skewed in favor of Endeavour's shareholders and "fundamentally" undervalued Centamin.

At the December 14 meeting in Perth, Endeavour said Monday, it was agreed that to determine the feasibility of any transaction, both companies would need to conduct reciprocal due diligence.

READ: Centamin management unanimously rejects takeover approach from Endeavour Mining

Endeavour said the parties now need to agree on the scope and timetable. Endeavour has sent its proposed due diligence timetable to Centamin yesterday (Sunday), it said.

"The objective of the due diligence exercise would be to allow both companies to further understand each other's assets and would be a critical precursor to allowing the parties to determine whether the financial terms of a transaction could be agreed that was in the best interests of both companies' shareholders," it added.

Endeavour is subject to a "put up or shut up" (PUSU) deadline, under which, it is required, by no later than 5 pm on December 31 this year, to announce a firm intention to make an offer or not.

Notably, a significant portion of the PUSU period has elapsed, noted Endeavour, leaving little time before December 31, 2019, given that the scope and timetable are still yet to be agreed, thus Endeavour has asked Centamin to request that the Takeover Panel extend the period.

Endeavour said though that as yet, Centamin had not done this and "there can be no certainty that it will".

In addition, Endeavour revealed it had confirmed to Centamin that it is prepared, subject to agreement on mutual due diligence scope, to execute a standstill undertaking.

This would mean Endeavour can't announce a firm intention to make an offer to the shareholders of Centamin unless the offer is recommended by the Centamin board at the time of announcement.

Price: 21.14

Market Cap: \$2.32 billion

1 Year Share Price Graph



March 2019 September 2019 March 2020

Share Information

Code: EDV

Listing: TSX

52 week High Low
29.18 15.68

Sector: Gold & silver

Website: www.endeavourmining.com

Company Synopsis:

Endeavour Mining is a premier intermediate gold producer, with a solid track record of operational excellence, project development and exploration in the highly prospective Birimian greenstone belt in West Africa. Endeavour operates 4 mines across Côte d'Ivoire (Agbaou and Ity) and Burkina Faso (Houndé, Karma), which produced 612koz at an All-In Sustaining Cost (AISC) of \$744/oz in 2018.

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Endeavour remains convinced of the "strategic rationale" of combining both companies to create a diversified gold producer with a high-quality portfolio of assets.

There has been a spate of deal-making in the gold space in recent months, with single-asset companies being bought up by those looking to build bigger, more diversified businesses.

Centamin shares nudged up 0.92% in London to 120.80p.

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