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## West Africa-focused gold explorers Gryphon and Shield to merge

By: Esmarie Swanepoel  
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PERTH (miningweekly.com) – Perth-based explorer Gryphon Minerals has made an all-share off-market takeover offer for fellow-listed Shield Mining, in a move the companies hope will create a "truly West African gold company".

Gryphon, which owns a 1,1-million ounce project in Burkina Faso, is offering one of its own shares, for every three shares held in Shield, which explores for gold in Mauritania.

Gryphon was also offering to acquire Shield's 21,3-million, A\$0,20 options on the basis of one ordinary share in Gryphon, for every 11 options held.

Based on the closing price of Gryphon shares on June 28, the share offer valued Shield at A\$0,27 a share,

which was a 35,8% premium on Shield's closing price on the same day.

The offer was also a 55,8% premium on the volume-weighted average price of Shield shares over a three-month period.

In a combined statement, the two companies said on Wednesday that the acquisition would offer Gryphon a portfolio of prospective exploration assets in Mauritania, as well as drill-ready targets at the Tijirit and Saboussiri projects.

Shield shareholders, in turn, would be offered a stronger financial base from which to explore the Mauritania tenements, as well as an investment in a substantially larger West Africa-focused company, with a combined tenement holding of about 3 600 km<sup>2</sup>.

The transaction would also expose Shield shareholders to an investment in Gryphon's 1,1-million ounce Banfora gold project, in Burkina Faso.

"This acquisition delivers a potential pipeline of new opportunities in another West African country, and fits with our strategy to build an important gold company in the region," said Gryphon MD **Steve Parsons**.

Shield MD **David Netherway** added that the combination of the two companies made "excellent sense" in starting to create a "truly West African gold company".

Shield directors have now unanimously recommended that shareholders accept the Gryphon offer, in the absence of a superior proposal. The directors, who currently hold a combined 11,4% of the company, noted that they intended to accept the offer.

Gryphon has entered into pre-bid acceptance agreements with Shield shareholders, representing 19,9% of the Shield shares on issue. These shareholders have contractually submitted to accepting the share offer, subject to no superior competing offer being received.

The all share offer was conditional upon a minimum acceptance of at least 90%.

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