

White Rivers to float in 2017

Mark Creasy-backed White Rivers Exploration Pty Ltd appears headed for the London Stock Exchange in the first half of 2017.

Creasy has been the company's sole funder since 2007 and while going public will see his stake in the South African-focused vehicle diluted, he will remain a significant shareholder.

What Creasy, along with the six other shareholders in White Rivers, will want to retain is exposure to the 11.5 moz @ 8.89 g/t gold EJV project with Harmony Gold Mining Company Ltd.

White Rivers owns 65% and Harmony 35% of EJV, which has the potential to produce 6.7 moz gold over more than 30 years, according to scoping study estimates.

At the time of print, a PFS was half complete. White Rivers executive chairman Neil Warburton told **Paydirt** it could be ready for release in April.

"That is what we are aiming for and if we decide to go public and if we press the button on that we will have the PFS result to put in the IPO prospectus and people can value our company on that," he said.

"We are probably going to raise somewhere around £25-30 million [up to \$50 million]. The valuation of the business will be dependent on the market at the time, but we are working through different valuations. The company is worth a considerable amount of money, going public will obviously dilute Mark [Creasy] and other shareholders, but not significantly."

An investor tour through London in September confirmed that market and European investors would be the right fit for White Rivers, which could also be housed on the Johannesburg Stock Exchange.

Despite the strong Australian influence behind White Rivers, Warburton said the ASX was not ideal for South African assets right now.



Mark Creasy



Neil Warburton

"We probably won't get best value if we went public in Australia, they [investors] seem more risk averse," he said.

"A lot of the London and European investment houses are invested in South African assets and generally have been for a long time. They are more at bay with it, they understand it; they are in the same time zone and have made quite a lot of money over a long time. So, as long as we price it right, I think we will get very good take up."

The float being prepared will include White Rivers' precious metals and uranium assets, while Warburton indicated there was potential to spin the remaining base metals and coal projects into another vehicle.

While the company boasts potentially the largest gold bore hole database in the country, Warburton believes the coal bore hole database compiled is just as impressive.

And now that coal prices have rebounded remarkably, White Rivers is envisioning a future for its projects.

"We have about 250mt of thermal coal in White Rivers which won't be part of the IPO. Coal has turned around so surprisingly that the coal assets are starting to be worth something again. There could be another IPO in the future

as we de-bundle a lot of the assets we have," Warburton said.

Judgement is being reserved on how long the rebound in coal prices can be sustained, but if it is anything like the upwards trajectory of gold, White Rivers will be well placed to capture any positive sentiment returning to the sector.

In the meantime, the company will look to capitalise on good times in the gold sector and advancing the EJV project, which will become 51% Harmony and 49% White Rivers upon a decision to mine.

Reaching a decision to mine may not be a far off, considering the EJV abuts Harmony's Target mine in South Africa's Witwatersrand Basin.

Therefore, currently under-utilised infrastructure is in place to leverage from, with Harmony to take charge of mining activities at the EJV, freeing up White Rivers to assess the wide-ranging data it has collected.

Warburton said a lot of the areas White Rivers had access to had been drilled, however, there was not one repository in South Africa containing historical records.

Therefore, White Rivers has spent a great deal of time and money tracking down ex-exploration managers of the tenements and consultants to have scoured the ground to piece together geological data related to the area.

It has a comprehensive database to work with now and some of the money raised in the IPO will be budgeted for resource development.

"The gold assets are the major value-add with the JV with Harmony, but we have another 13 projects of which there are two needing some money thrown at them to bring them up to JORC compliant resources," Warburton said.

"We'll be looking to spend some of that money raised next year to advance some of those other projects. A lot of the gold veins or reefs contained in our tenement also contain uranium. We have uranium completely off the radar at the moment, but we have got a number of resources and we haven't done any valuations on the uranium at this point in time."

- Mark Andrews