

Integra to raise \$80m for Randalls

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Integra Mining has set the ball rolling on an \$80 million capital raising to bring its Randalls gold project near Kalgoorlie into production next year.

The gold miner is understood to have Sydney-based Blackwood Capital working on raising close to \$80 million, likely to be split 50-50 between debt and equity at a price expected to be close to 26¢ a share.

Integra shares last changed hands at 30¢ before being placed in a trading halt yesterday.

The Chris Cairns-headed miner has put a \$64 million price tag on phase-one development at Randalls, which contains a resource of 20 million tonnes grading an average 2.7 grams per tonne gold.

Integra had previously been expected to fund the bulk of the development through debt. It recently mandated corporate advisory firm PCF Capital to provide debt advisory services.

Under phase-one development, based on mining the Maxwells and Salt Creek gold deposits, Randalls will produce 75,000 ounces of gold a year with a mine life of four years, which could be boosted by a further 5.7 years under phase two.

The group's feasibility study found Randalls could produce more than 630,000oz over a minimum of 10 years under a two-phase development.

Forecast cash costs of \$574/oz would leave Integra with a healthy margin, based on a gold price of \$US1006.95/oz at the Sydney close yesterday.

Integra has already acquired a mill.

The high-grade nature of Randalls has heightened takeover speculation around Integra amid expectations the Eastern Goldfields is poised for a wave of consolidation.

Avoca Resources has been tipped as a likely suitor, given its need for high-grade ore and managing director Rohan Williams' public support for further consolidation.

Avoca's biggest shareholder, the Swiss-based Pala Investments, recently emerged on Integra's register with a 5.3 per cent stake.

Silver Lake Resources has also been tipped as a possible bidder.