



Capital Group

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MEDIA RELEASE

Golden Gateway – matching Australian mines with Chinese investors

- **PCF Capital Group forms 50-50 Golden Gateway JV with Zhaojin International Mining Co. Ltd, a wholly owned subsidiary of Hong Kong-listed Zhaojin Mining Industry Co. Ltd, one of China's largest gold producers**
- **Golden Gateway charged with identifying and assessing Australian mining investment opportunities for Chinese parties including Zhaojin**
- **Recognising PCF's market leadership and independence, Zhaojin will use Golden Gateway to identify Australian opportunities to complement its 670,000ozpa Chinese production**

Perth, Western Australia – Leading Australian corporate advisory firm PCF Capital Group (**PCF**) is pleased to announce the signing in Perth today of the Golden Gateway Joint Venture (**Golden Gateway**), a landmark new vehicle owned 50-50 by PCF and Zhaojin International Mining Co. Ltd, a wholly owned subsidiary of Zhaojin Mining Industry Co. Ltd (**Zhaojin Mining**), to facilitate successful Chinese investments in the Australian mining sector.

By matching PCF's strong track record of identifying and transacting value-adding deals in the mining space with Chinese investors' sustained interest in Australia, Golden Gateway has been established to act as a conduit to deliver mutually successful outcomes.

Zhaojin Mining, one of China's largest and most successful gold producers, will be Golden Gateway's foundation client and use Golden Gateway to try to achieve its ambition of complementing a China-based production profile of 670,000ozpa with a sizeable gold business in Australia. Zhaojin Mining is listed on the Stock Exchange of Hong Kong (HKEX: 1818) and has a market capitalisation of approximately HK\$27 billion (A\$5 billion).

Utilising Zhaojin Mining's advantages in China and Hong Kong, Golden Gateway will also develop the Chinese gold sector by identifying compelling mining investment opportunities in Australia.

Mr Liam Twigger, founder and managing director of PCF Capital, said Golden Gateway would combine PCF's deep industry knowledge with China's willingness to successfully invest in Australia and expand the Middle Kingdom's overseas mining interests in Tier 1 jurisdictions.

Although investments in the gold space will be the priority target for Golden Gateway, opportunities across all metals and minerals will be considered.

“There is global demand for profitable gold mining operations, which are less exposed to the fluctuations in worldwide economic growth and trade relations,” Mr Twigger said.

“At PCF, we have noticed an increased appetite from Chinese mining companies to invest in the right opportunities in Australia. However, there has been some hesitancy to transact because of a perceived lack by the prospective buyer of local market insight and the ability to carry out effective due diligence.

“Golden Gateway is structured as a conduit to identify and offer up investment opportunities, backed by locally based technical and financial due diligence, to willing Chinese investors.

“The Australian mining industry, particularly the gold sector, has a top-tier reputation around the world and Chinese majors like Zhaojin Mining want to establish a presence here, backed by the confidence they have had access to the type of leading and independent technical and financial analysis a firm like PCF can provide.

“Although Golden Gateway’s first target will be to satisfy Zhaojin Mining’s desire to build a sizeable Australian presence that complements its 670,000ozpa production profile in China, we would expect Golden Gateway to attract significant interest not just from other Chinese investors but also from the owners of Australian mining assets wanting to tap into China’s investment community.

“It is also important to note that the Golden Gateway structure protects PCF’s status as a leading independent corporate advisory firm, for the benefit of our extensive international client base with whom we have enjoyed successful relationships over the past 20 years.”

Under the terms of the Golden Gateway, PCF will decide which project opportunities it presents to the JV for consideration and retain full independence and flexibility to continue its role as a leading non-aligned corporate adviser to the resources sector.

Mr Twigger and Zhaojin Mining’s chairman, Mr Weng Zhanbin, formalised the Golden Gateway Joint Venture at a signing ceremony in Perth this morning that was attended by the Hon. Bill Johnston, WA Minister for Mines and Petroleum, Energy and Industrial Relations, and Mrs Dong Zhihua, Consul General of China’s Consulate in Perth.

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About Golden Gateway

Golden Gateway is an incorporated 50-50 joint venture between PCF Capital Group and Zhaojin International Mining Co. Ltd, a wholly owned subsidiary of Zhaojin Mining Industry Co. Ltd. Golden Gateway's purpose will be to channel Australian mining investment and acquisition opportunities to Chinese buyers by providing reliable and market-leading analysis and due diligence services. PCF's team of experienced advisory experts will identify investment opportunities for consideration by Golden Gateway and provide the technical and financial advisory support as required. In addition to its role as a JV partner, Zhaojin will be a foundation client of Golden Gateway to try to meet its stated aim of building a sizeable gold production profile in Australia. Golden Gateway will also serve as a conduit for other Chinese mining companies to review and assess investment opportunities in Australia.

About PCF Capital Group

PCF Capital Group is a leading independent, corporate advisory firm focused on serving clients in the resources sector. PCF was founded in 1999 in Perth, Western Australia. Its team has executed more than 130 mine asset transactions and project financing mandates worth on aggregate more than \$3.5 billion. The PCF team has an international presence and an extensive corporate network. The firm offers a range of corporate advisory services to the mining and resource sector. These include providing strategic corporate advice, conducting asset divestment processes and assisting in raising debt facilities. For more information, please visit www.pfcapital.com.au

About Zhaojin International Mining Co. Ltd

Zhaojin International Mining Co. Ltd is a wholly owned subsidiary of Zhaojin Mining Industry Co. Ltd, one of China's largest gold producers. Zhaojin International was established in 2015 and aims to invest in and develop global gold mining projects for its parent company. In the past four years, Zhaojin International has invested as a strategic investor in projects in Australia and Canada and formed a mutual mining investment fund with a Canadian partner in Toronto. The long-term target of Zhaojin International is to establish through mergers and acquisitions an international business with a production footprint of approximately 670,000ozpa.