

Gold Fields grows stake in Cardinal

As part of the return to exploration by Gold Fields, it has, through its Canadian subsidiary, increased its stake in Cardinal Resources, an Australian explorer in Ghana.



Nick Holland, CEO: Gold Fields. Photo: CitiBusinessNews

Gold Fields has used its wholly owned subsidiary, Corporate International Holdings, as the ownership vehicle in Cardinal, spending A\$4.5m (\$3.52m) to increase its ownership of ordinary shares to 8.8% and raising its stake in listed options to buy ordinary shares to 28.7%.

If all the options were exercised, Gold Fields would own 16.7% of Cardinal, which is busy with its Namdini project in northern Ghana. Gold Fields has the Damang and Tarkwa gold mines in southwestern Ghana in large mineralised zones to the west of the capital Accra.

There has long been speculation of some tie-up between the Tarkwa mine and AngloGold Ashanti's Iduapriem mine .

The A\$210m Cardinal has recently secured a mining right for the Namdini deposit, which the company plans to be an opencast mine. The company has so far established a declared resource of 931,000oz at a grade of 1.21g a tonne. Cardinal has a number of exploration tenements in Ghana, one of the countries Gold Fields favours.

"We have said that we are looking at a judicious return at green fields exploration, this is one way of doing that," said a

Gold Fields spokesman.

Gold Fields CEO Nick Holland has recently begun speaking again of the need for a pipeline of projects in the company, including exploration. By staking a claim in Cardinal, Gold Fields is using the traditional method of large gold companies that are focused on their operations to add new ounces in the future by letting junior companies do the finding, exploration and defining of new deposits.

"Gold Fields holds its interest in the ordinary shares and listed options of Cardinal for investment purposes and will continue to monitor the business, prospects, financial condition and potential capital requirements of Cardinal Resources," the company said.

Source: *Business Day*

For more, visit: <https://www.bizcommunity.com>