
news release

AngloGold Ashanti signs agreement with Philippines explorer Red 5

AngloGold Ashanti Limited has agreed to take a share placement in Red 5 Limited and has formed a strategic alliance with the explorer in relation to its Philippines tenements.

AngloGold Ashanti will subscribe for 31 million Red 5 shares at 17.7 cents per share to acquire a 12.3% stake in the expanded issued capital of Red 5. Red 5 will use the A\$5.5 million raised by the placement to fund exploration along strike from current mineral resources at the Siana Project, and to test nearby porphyry gold-copper targets in the Surigao region of the Republic of the Philippines.

The Head of AngloGold Ashanti Australia, Mr Peter Rowe, will join the Red 5 board.

The companies have also formed a strategic alliance in which Red 5 has granted AngloGold Ashanti Australia an exclusive option to enter joint ventures and earn direct equity in specific projects in the Surigao region, within the Area of Influence. As part of the strategic alliance, AngloGold Ashanti Australia has agreed to provide technical services to Red 5 on request.

If AngloGold Ashanti Australia decides to exercise its right to enter a joint venture, it will be required to spend a minimum of US\$1.75 million in the first year, a further US\$4 million to acquire 65% of Red 5's equity in the joint venture and a further US\$5 million to acquire an additional 10%.

Whilst Red 5's Siana Project has been excluded from the Area of Influence, Red 5 will have access to AngloGold Ashanti Australia's technical support and has an obligation to offer AngloGold Ashanti Australia the opportunity to provide debt funding as and when required.

The placement will be made on 22 October.

Perth, Australia
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ends

Queries

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