Barrick Gold offers to buy Newmont Mining in US$17.85B all-stock deal

Barrick Gold Corp (NYSE:GOLD) announced Monday its offer to buy Newmont Mining Corp (NYSE:NEM) for US$17.85 billion in an all-stock deal.

The proposed merger, according to Barrick, would realize more than $7 billion in pretax synergies, mainly by combining the two companies’ highly complementary assets in Nevada, including Barrick’s mineral endowments and Newmont’s processing plants and infrastructure.

Shares of Newmont climbed 1.3% to $36.95 in Monday’s pre-market trading. Barrick was unchanged at $13.04.

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“The combination of Barrick and Newmont will create what is clearly the world’s best gold company,” Barrick President and CEO Mark Bristow said in a statement.

Gary Goldberg, Newmont’s CEO, told The Wall Street Journal that his company will focus on completing its $10 billion acquisition of Canadian miner Goldcorp Inc (NYSE:GG).

Shares of Goldcorp decreased by 1.6% to $10.95 in pre-market trading.

Under the proposed deal, each Newmont shareholder would receive 2.5694 Barrick shares per Newmont share based on the volume-weighted average trading prices of the shares of Barrick and Newmont on the New York Stock Exchange over the 20 trading days ended February 20.

Barrick shareholders would own 55.9% of the merged company while Newmont shareholders would own 44.1%.

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