



Platinum Group Deciding to Seek Sale, Mine Funding (Update1)

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By Stewart Bailey

Feb. 6 (Bloomberg) -- **Platinum Group Metals Ltd.** said it is considering selling itself or restarting a search for financing needed to develop a \$400 million mine project in South Africa.

Bankers have started calling the company again after a hiatus of more than two months, which may signal the company can raise the necessary funding, Chief Executive Officer **Mike Jones** said today in an interview.

Newmont Mining Corp. and **Silver Wheaton Resources Corp.** are among the precious-metal producers that have raised more than \$2.5 billion in equity in the past month. Platinum Group's talks over funding stalled last year when credit markets began to freeze. The task also was made harder by a drop of more than half in platinum prices as demand slumped for the metal used to cut car-exhaust pollution.

"Precious metals are getting attention," Jones said in a telephone interview from the company's headquarters in Vancouver. "We're seeing revived activity from the banks, they're coming back to us."

Platinum Group rose 3 cents, or 1.4 percent, to C\$2.20 at 3:58 p.m. in Toronto Stock Exchange **trading**. The stock has gained 18 percent this year.

The company, advised by Royal Bank of Canada, will choose a strategy based purely on the "numeric calculation" of what will be most profitable, he said. Jones declined to comment on whether any suitors had approached the company and said the review will take place over 90 days.

Bushveld Deposit

The cost of developing the deposit, which lies in the platinum-rich Bushveld region northwest of Johannesburg, may drop by \$50 million if the company gains access to South Africa's electricity grid instead of relying on its own diesel generators, Jones said. The project was designed assuming platinum prices of \$1,000 an ounce and oil prices of \$100 a barrel, more than double the current level.

Platinum futures for April delivery jumped \$20.90, or 2.1 percent, to \$1,002.90 an ounce on the New York Mercantile Exchange after earlier climbing to \$1,014.90, the highest for a most-active contract since Oct. 15. The metal rose 5.3 percent in January after falling 38 percent last year.

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Last Updated: February 6, 2009 16:26 EST

