

Regulatory Story

Company [Pangea DiamondFields PLC](#)
TIDM PDF
Headline Sale of Dimbi Project
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Pangea DiamondFields plc (‘Pangea’ or the ‘Company’)

Sale of Dimbi Project

Pangea DiamondFields plc (AIM:PDF), the diamond producer and exploration company announces that it has entered into an agreement with a senior employee of the Company for the sale of the entire issued share capital of Dimbi Diamonds SAU, a wholly owned subsidiary of the Company and the holding company of the Dimbi project in the Central African Republic (‘CAR’).

The consideration for the disposal is a 5% royalty payment based on future gross sales revenue from the sale of diamonds from Dimbi plus a payment of US\$500,000 to be paid either from the proceeds of the first sales of diamonds in the event that the new owner chooses to operate the project or from the proceeds of asset sales should the purchaser choose not to operate the project.

While Pangea considers that the fundamentals of the Dimbi project are attractive, the logistical support required to maintain a commercial scale operation and the long lead times associated with the procurement of equipment and spares are considered to be unviable at the Company's planned scale of operations. Significant costs are associated with continuing to hold the project while other projects within the Company's portfolio are developed in priority. Costs would also have arisen were the project to be closed.

The disposal of Dimbi to a local senior employee with experience of the project and of operating in the CAR enables the Company to retain exposure to the project should a future mining operation be established.

In the Company's half year results for the six months ended 30 June 2009, an impairment charge was recognised against the value of the Dimbi project, which was written down to a carrying value of zero in the Company's accounts.

The Company is separately closing its Etoile project, therefore marking the Company's exit from the CAR.

Dimbi Diamonds SAU is wholly owned by Efidium Limited (‘Efidium’) and therefore the consideration for the disposal will be acquired by International Gold Exploration AB (‘IGE’) following completion of the proposed sale of Efidium to IGE as announced on 22 February 2010.

Further information:

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Notes to Editors:

Pangea DiamondFields plc (AIM: PDF) is an emerging diamond producer and exploration company with a portfolio of five projects each with multiple resource targets, located in Angola, South Africa and the Democratic Republic of the Congo. The Company aims to minimise risk by diversifying its projects geographically.

PDF listed on AIM in October 2006 and is led by a strong management team, with a track record for creating shareholder value in mineral exploration.

On 22 February Pangea announced that it had entered into an agreement with IGE whereby Pangea will merge its diamond interests with IGE by the disposal of the entire issued share capital of Efidium Limited, which is the holding company for all operational activities of Pangea.

For more information on PDF, please visit: <http://www.pangeadiamondfields.com/>

This information is provided by RNS
The company news service from the London Stock Exchange

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