

Nord Gold Spinoff Planned for January

By [The Moscow Times](#)

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Steelmaker Severstal is set to spin off its Nord Gold unit and could list the standalone business in London, it said Wednesday, less than a year after it was forced to pull a planned \$1.5 billion public offering.

Severstal, which aims to complete the separation by late January 2012, said the swap and potential listing of global depositary receipts would allow Nord Gold and Severstal to focus on their core areas of activity, raise the profile of the gold unit and allow it direct access to funding.

The steel giant canceled the offering in February, blaming poor market conditions that meant it felt investors would be underpaying for Nord Gold assets.

Nord Gold was set up in 2007 and has since spent more than \$1 billion buying mines in West Africa and Kazakhstan, building a group with expected 2011 output of up to 840,000 ounces, rivaling Randgold and Russian peer Polymetal.

Severstal investors will be able to swap their paper for shares in Nord Gold currently held by a Severstal subsidiary. If Severstal shareholders take up the offer and more than 5 percent of the gold unit's share capital ends up in the hands of minority investors, Nord Gold will apply to list global depositary receipts in London.

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