

We actually preferred shares - James Allan, founder, Allan Hochreiter

In an interview on [Radio 2000](#) @ 18:00 on Monday, 11 June 2007

[miningmx.com] -- A CONDITION of the sale of a mining property to Eland Platinum was that the transaction had to be settled in cash, said James Allan, founder of Allan Hochreiter, a boutique financier.

Allan Hochreiter sold control of Madibeng Platinum Holdings, a company which owns the Madibeng platinum-bearing property, to Eland Platinum increasing to 66% on meeting certain conditions. The sale price for the 66% stake was R106m.

Allan said his company would have preferred to take shares in Eland Platinum as payment. "We actually wanted to take shares, and we were not allowed to for various reasons," said Allan. He was speaking on the Moneyweb Power Hour.

Asked why he could not take shares, Allan said: "I can't go into that. There is still a cautionary on Eland Platinum." The speculation is that Eland Platinum may become subject to a takeover, possibly from a major mining company seeking access to South Africa's platinum market.

Allan said Eland Platinum were doing "a fantastic job" and was positioned to produce platinum concentrate soon. "They're very good people. They're delivering their project on time and, as I understand it on budget," he said.

Allan Hochreiter decided to sell the Madibeng property at this point because the company was unlikely to establish a standalone mine on it. "As it was right next door to the Eland property the best fit was with Eland," Allan said.

Eland has traded up from about R37/share at the beginning of the year to a close on June 8 of R117.90/share. Interest in platinum shares is fuelled by strong fundamentals in the platinum group metal (PGM) market.

"We are very bullish on the platinum market and the outlook for PGMs, and Eland is certainly one of René's (Hochreiter's) favourite stocks," said Allan.