

Spur Ventures Inc. and Atlantic Gold NL Announce Merger Proposal

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VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Apr 7, 2014) - [Spur Ventures Inc.](#) (TSX VENTURE:SVU) ("Spur") is pleased to announce the signing of a Heads of Agreement (the "HOA") with [Atlantic Gold NL](#) ("Atlantic") pursuant to which the companies have agreed to create a new well-financed and development-focused gold group with a primary focus on the advancement of Atlantic's Touquoy and Cochrane Hill gold projects located in the Meguma Terrane of Nova Scotia (the "Transaction").

Transaction Highlights

- Combination of Atlantic's advanced project portfolio with Spur's complementary technical experience and strong cash position, which, as at the date of this announcement, is approximately C\$28.7 million;
- Creation of a well-financed, growth-oriented gold development group to aggressively drive development of the Touquoy gold project in Nova Scotia towards production, while simultaneously evaluating the co-development potential of the nearby Cochrane Hill deposit;
- Additional opportunities to evaluate the underexplored but prolific Meguma Terrane gold region, including 250 km² of claims;
- Canadian management base for project operations as well as capital markets interface;
- Issue of Spur warrants to allow Atlantic shareholders and new investors to gain additional leverage to the significant potential of the advanced stage Touquoy and Cochrane Hill gold projects as well as the additional potential opportunities in the Meguma Terrane gold region;
- Ongoing involvement of Wally Bucknell, Atlantic's managing director, who will be invited to join the board of Spur as a non-executive director upon the completion of the Transaction.

Steven Dean, Chairman of Spur noted: "The proposed acquisition of Atlantic is the first step in our strategy to create a mid-tier gold production group which focuses on manageable, executable projects in mining friendly jurisdictions. We have reviewed a considerable number of projects and investment opportunities, few of which have compared to the quality of Atlantic's projects, with potential near-term upside offered through the Touquoy and Cochrane Hill gold projects. Our plan is to focus on the initial development of Touquoy, combining our own development views with the extensive technical work that has already been commendably completed by the Atlantic team. We are well funded and have a team in place with expertise in financing, capital markets, project management, operations and exploration."

As disclosed in Atlantic's press release dated April 7, 2014 and filed with the ASX in respect of the Transaction, Au Mining Limited has advised the Directors of Atlantic that Au Mining Limited intends to vote all the fully paid ordinary shares in Atlantic held by Au Mining Limited, in favour of the Transaction and in favour of the alternative to the Scheme (as outlined in this announcement), in the absence of a superior proposal. Au Mining Limited holds approximately 17% of the fully paid ordinary shares in Atlantic.

About Atlantic

Atlantic is an Australian Securities Exchange ("ASX") listed company focused on the exploration and development of the Touquoy project (which is at an advanced stage and has all major permits in place) and the Cochrane Hill project (which is at an earlier stage of development) located within the Meguma Terrane in the province of Nova Scotia. The Meguma Terrane is host to a historic gold region which has been largely underexplored using modern exploration techniques over the last 20 years and remains highly prospective for new discoveries, in particular in respect of larger shale hosted disseminated, near surface mineable deposits, characteristics shown in work done to date on the Touquoy project.

A number of deposits at various stages of development are located in this region of Nova Scotia, outlined on

the map below:

<http://media3.marketwire.com/docs/AtlanticGoldMap.JPG>

The Touquoy project is located 70 kilometers north-east of Halifax and boasts favourable infrastructure, with access to paved roads and grid power in close proximity.

The Touquoy project hosts Mineral Resources prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") and JORC (2012) as disclosed in the tables below for the two main mineral deposits.

Touquoy Mineral Resource Estimate (0.5 g/t cut-off) - Effective as at February 28, 2014*

Category	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (oz)
Measured Resources	2.8	1.5	130,000
Indicated Resources	7.3	1.5	350,000
Resources (M + I)	10.1	1.5	480,000
Inferred Resources	1.6	1.5	77,000

Touquoy West Mineral Resource Estimate (1.0 g/t cut-off) - Effective as at February 28, 2014*

Category	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (oz)
Indicated	0.9	1.9	54,000
Inferred	0.6	2.2	45,000

* Key assumptions used to estimate the Mineral Resources include the following:

1. There are two main styles of gold mineralization, which are reflected in the geological domaining used in the resource modeling
2. Drill hole sampling has provided a reasonably representative set of samples of the gold mineralization
3. Multiple Indicator Kriging (MIK) is an appropriate method for estimating the Mineral Resources in these deposits

Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

The Touquoy Mineral Resources are based on a technical report entitled "Mineral Resource Estimate for the Touquoy Gold Project, Nova Scotia" prepared by Hellman & Schofield Pty. Ltd. and dated March 2011, prepared in accordance with NI 43-101 and JORC (2012) and filed with the ASX on March 8, 2011. This report has been updated by FSSI Consultants (Aust) Pty. Ltd. to current JORC standards and used as the basis of announcement by Atlantic to the ASX on February 28, 2014.

The Touquoy deposits are expected to have a low strip ratio of the order of 2.5:1, implying a relatively low all in sustaining cost of production.

Atlantic has a joint venture ownership interest of 63.5% in the Touquoy project and is the operator and manager of the project, responsible for funding all capital and operating expenditures. Under the Touquoy joint venture agreement, on commencement of production at the Touquoy project, Atlantic will receive 100% of the Touquoy cashflow until all capital and operating expenditures, in addition to interest expenditures, have been recouped. A private net smelter return royalty of 3% is also payable in respect of the Touquoy project, two-thirds of which can be purchased for C\$2.5 million.

The Cochrane Hill project is an earlier stage development project, owned 100% by Atlantic, located approximately 80 km from the Touquoy project. The Cochrane Hill deposit currently hosts Mineral Resources prepared in accordance with NI 43-101 and JORC (2012) as shown in the table below.

Cochrane Hill Mineral Resource Estimate (0.5 g/t cut-off) - Effective as at February 28, 2014*

Category	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (oz)
Indicated	4.5	1.8	251,000
Inferred	5.6	1.6	298,000

* Key assumptions used to estimate the Mineral Resources include the following:

4. There are two main styles of gold mineralization, which are reflected in the geological domaining used in the resource modeling
5. Drill hole sampling has provided a reasonably representative set of samples of the gold mineralization
6. Multiple Indicator Kriging (MIK) is an appropriate method for estimating the Mineral Resources in these deposits

The Cochrane Hill Mineral Resources are based on a technical report entitled "Technical Report of the Cochrane Hill Gold Project, Nova Scotia, Mineral Resource Estimate" prepared by Hellman & Schofield Pty. Ltd. and dated March 4, 2011, prepared in accordance with NI 43-101 and JORC (2012) and filed with the

ASX on March 8, 2011. This report has been updated by FSSI Consultants (Aust) Pty. Ltd. to current JORC standards and used as the basis of announcement by Atlantic to the ASX on February 28, 2014.

The development of Touquoy represents the first stage in a conceptual plan for resource exploration and expansion and combined development and operation of Atlantic's properties, as well as potential consolidation of additional Meguma Terrane deposits.

Transaction Summary

Under the terms of the HOA, Spur would acquire, subject to the requisite approvals and the satisfaction of conditions, all of the fully paid and partly paid ordinary shares on issue in Atlantic by way of a scheme of arrangement ("Scheme") under Part 5.1 of the Australian *Corporations Act* 2001 (Cth) between Atlantic and its shareholders.

Under the Scheme, Atlantic shareholders holding fully paid ordinary shares would receive 0.05564 of a common share of Spur and 0.02782 of a share purchase warrant (each whole warrant a "Spur Warrant") for each fully paid ordinary share of Atlantic held (the "Consideration"). Each Spur Warrant would be exercisable to acquire one Spur share for a period of four years following the date of implementation of the Transaction at a price of C\$0.60 per share. Atlantic shareholders holding partly paid ordinary shares would receive for each partly paid share held 10% of the consideration otherwise payable to a holder of fully paid ordinary shares for each fully paid share held.

Atlantic shareholders will also be asked to approve resolutions for an alternative to the Scheme, if the Scheme is not approved by Atlantic's shareholders or the court, pursuant to which Spur would acquire all of the issued securities in DDV Gold Limited ("DDV Gold"), the wholly-owned Canadian subsidiary of Atlantic which holds all of Atlantic's Canadian assets, including the Touquoy and Cochrane Hill gold projects, in exchange for the same number of (i) Spur Series A Preferred Shares and (ii) warrants to purchase Spur Series A Preferred Shares (the "Preferred Share Warrants") as would have comprised the Consideration under the Scheme (the "Alternative Transaction").

If the Alternative Transaction proceeds, Atlantic would offer to buyback all the Atlantic fully paid and partly paid ordinary shares by means of an equal access share buy-back with Spur Series A Preferred Shares and Preferred Share Warrants received by Atlantic for the sale of DDV Gold offered pro-rata to Atlantic shareholders as consideration for the buy-back. If issued, the Spur Series A Preferred Shares shall have the special rights and restrictions contained in Spur's Articles and which are summarized in Schedule A.

On completion of the Transaction, Atlantic shareholders will collectively own approximately 43% of the combined group, or approximately 53% assuming exercise of the Spur Warrants (or the Preferred Share Warrants into common shares of Spur, if applicable). Arrangements are to be made for the exchange of existing Atlantic employee stock options for Spur options having the same expiry date as the original expiry date of the relevant Atlantic employee stock options.

The Transaction is conditional upon a number of items, including, without limitation, the completion of due diligence to the satisfaction of both parties, the approval of the board of directors of each party and the entering into of a Scheme Implementation Agreement.

The HOA provides for a period of exclusivity of at least 30 days, during which time both parties expect to complete their respective due diligence reviews and, subject to the completion of the above-noted matters, enter into a Scheme Implementation Agreement. The Scheme Implementation Agreement will contain, among other things, the full terms and conditions of the Scheme.

The HOA contains customary deal protection mechanisms, including an expense reimbursement fee of A\$750,000 payable by Atlantic to Spur in certain circumstances, including: (i) if a third party acquires control of Atlantic or any of its subsidiaries, or all or any material part of the business or assets of Atlantic or any of its subsidiaries or (ii) if Atlantic or its board enters into any agreement requiring Atlantic to abandon the Transaction, or requiring any Atlantic director to recommend against the Transaction. The HOA contemplates that the Scheme Implementation Agreement will contain similar deal protection mechanisms, including also (i) an expense reimbursement fee of A\$750,000 payable by Atlantic to Spur if the Atlantic directors change their recommendation in favour of the Transaction or recommend that Atlantic shareholders accept or vote in favour of any competing proposal, unless the independent expert concludes that the Scheme is not in the best interest of Atlantic shareholders and (ii) a break fee of A\$250,000 payable by Atlantic to Spur if Atlantic shareholders do not approve the Transaction or the Alternative Transaction.

In addition, the HOA includes customary exclusivity arrangements in Spur's favour, including no-shop, no-talk, notification right and matching right provisions, subject to certain customary exemptions to the

no-talk to permit Atlantic's board of directors to exercise their fiduciary duties (the other exclusivity provisions are not subject to a fiduciary out). The HOA also contemplates that the Scheme Implementation Agreement will contain similar exclusivity arrangements.

Spur has agreed to pursue a listing of Chess Depositary Instruments on the ASX in respect of the Spur common shares and Spur Warrants issued under the Transaction, subject to the listing and admission requirements of the ASX (including those in the ASX Listing Rules) being satisfied in respect of those Spur common shares and Spur Warrants.

Full details of the terms and conditions of the Transaction will be included in a Scheme Booklet to be prepared by Atlantic and mailed to Atlantic shareholders in accordance with applicable securities laws. The Scheme will be subject to the approval of Atlantic shareholders. The applicable shareholder approval requirement under Australian law for the Scheme is that it be approved at a shareholder meeting (a) by a majority in number of the shareholders present and voting (either in person or by proxy) and (b) by at least 75% of the votes cast at that meeting by shareholders present and voting (either in person or by proxy). In addition, the Scheme must also be approved by an Australian court. All Atlantic shareholders are urged to read the Scheme Booklet once it becomes available as it will contain additional important information regarding the Transaction.

As mentioned above, Atlantic shareholders will also be asked to approve resolutions in relation to the Alternative Transaction. The applicable shareholder approval requirement for the Alternative Transaction is that it be approved at a shareholder meeting by a majority of the votes cast at that meeting by shareholders present and voting (either in person or by proxy). The Alternative Transaction is not required to be approved by an Australian court.

Short Term Loan

Spur has agreed, conditional upon the execution of the Scheme Implementation Agreement in respect of the Transaction, and such Implementation Agreement not having been terminated, to provide a C\$1 million loan facility to DDV Gold, guaranteed by Atlantic, which can be drawn in July 2014 and will mature December 31, 2014. The loan facility is expected to have first priority security over the assets of DDV Gold and will accrue interest at 14 percent per annum.

Scientific and Technical Information

The Touquoy Mineral Resource estimates are based on sample data generated by a number of different sampling programs that have spanned several decades including the most recent drilling undertaken by Atlantic. All assays obtained prior to Atlantic's involvement have been verified against paper documents by a contractor specifically retained for that purpose. Atlantic's assays have been merged from digital files and the intervals and assays verified by Atlantic personnel. A master database is maintained with access limited to key company personnel and copies of this database are used for technical purposes. The trial grade control program was undertaken to assess an area largely defined by KMS-15 assays. The results suggested an overestimation of grade by the KMS-15 assays of 22%. Accordingly, the KMS assays used for resource estimation have been reduced by 22% prior to compositing. All other assays are used as original values, arithmetically averaged where duplicates are available. A recent (November 2013) independent analysis of check assay data by sampling specialist, D. Francois-Bongarcon has concluded that the KMS data are not biased and should not be reduced. However a conservative approach has been maintained and the 22% downgrade of the KMS assays is retained and the former resource estimate remains unchanged. There have been no instances in which sample grades could not be reasonably verified.

The Cochrane Hill Mineral Resource estimates are based on drill-hole sample data generated by a number of mining and exploration companies over several decades dating back to 1974. Of the 128 holes used for resource estimation, 64 holes were drilled in NQ standard tube diameter and the remainder in BQ or AQ standard tube diameter. Core drilled by Atlantic Gold and historic core holes that have been re-logged have been oriented effectively by reference to bedding orientations. Core recoveries have been defined on a 1m interval basis for holes drilled by Atlantic Gold and recoveries are good, averaging 97%. A large proportion of the holes (59 of 89) drilled by previous explorers have been re-logged and core recoveries measured for those holes average 95%. All assays obtained prior to Atlantic Gold have been verified against paper documents by Atlantic Gold personnel and any errors corrected. Atlantic Gold assays have been merged from digital files and the intervals and assays verified by company personnel. A master database is maintained with access limited to key company personnel and copies of this database are used for validation. There has been no adjustment of assay data.

Neil Schofield, MS - Applied Earth Sciences, MAusIMM, MAIG, and a Qualified Person as defined by NI

43-101, has verified the data disclosed above, including the sampling, analytical and test data underlying the information contained in this news release.

There are no known legal, political, environmental or other risks that could materially affect the potential development of these resources that have been identified.

Neil Schofield, MS - Applied Earth Sciences, MAusIMM, MAIG, consultant to both Spur and Atlantic, and a Qualified Person as defined by NI 43-101, has reviewed and approved the technical information contained in this news release.

About Spur Ventures Inc.

Spur is listed on the TSX Venture Exchange, and has a registered office at Suite 3083, Three Bentall Centre, 595 Burrard Street, Vancouver, B.C. Canada. Spur is focused on potential acquisitions in gold, base metals or other mineral related assets advanced stages of development where the balance of technical and geopolitical risk will result in increased value to Spur's shareholders.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements:

This release contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian and U.S. securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information are not historical facts, are made as of the date of this press release, and include, but are not limited to, statements regarding discussions of future plans, guidance, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the transactions contemplated under the HOA, the Scheme, the Alternative Transaction, the share purchase program recently announced by Atlantic and otherwise in connection with the proposed Transaction, any benefits to any shareholder of either Spur or Atlantic that may result from the proposed Transaction, the listing of common shares and Spur Warrants issued under the Transaction on the ASX, and the timing and receipt of requisite regulatory, court and shareholder approvals in respect thereof. These forward looking statements involve numerous risks and uncertainties and actual results may vary.

Important factors that may cause actual results to vary include without limitation, certain transactions, the successful completion of the Transaction, the timing and receipt of certain approvals, changes in commodity and power prices, changes in interest and currency exchange rates, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials, equipment and third party contractors, delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this press release, Spur has applied several material assumptions, including without limitation, the assumptions that: (1) the receipt of necessary consents and approvals and satisfaction of all conditions precedent for the completion of the Transaction in a timely manner; (2) market fundamentals will result in sustained gold demand and prices; (3) the receipt of any necessary approvals and consents in connection with the development of any new properties; (4) the availability of financing on suitable terms for the development, construction and continued operation of any mineral properties; and (5) sustained commodity prices such that any properties in or put into operation remain economically viable. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Certain of the risks and assumptions are described in more detail in the Spur's audited financial statements and MD&A for the year ended December 31, 2012 and the quarter ended September 30, 2013 on the SEDAR website at www.sedar.com. The actual results or performance by Spur could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters.

Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of

operations or financial condition of Spur. Except as required by law, we are under no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Schedule A

Summary Description of Spur Series A Preferred Shares

The description below assumes that the Spur Series A Preferred Shares are issued (and no other preferred shares are issued) by Spur as contemplated under paragraph (b) on the first page of this news release.

Description	Spur Series A Preferred Shares
Special Rights and Restrictions	Subject to regulatory approvals including the TSX Venture Exchange, the Spur Series A Preferred Shares shall have the following rights and restrictions upon issuance, a summary of which follows:
Conversion by Atlantic	Atlantic may, at its election and at any time, convert Spur Series A Preferred Shares into a number of Spur Series A Preferred Shares to be converted, when aggregated with the number of Spur Series A Preferred Shares converted by Atlantic, does not exceed 10% of the total number of Spur Series A Preferred Shares of Spur Gold Limited.
Conversion upon Distribution to Atlantic Shareholders	Any Spur Series A Preferred Shares distributed or transferred by Atlantic to its shareholders, without the approval, will automatically convert into Spur common shares upon such distribution.
10% Holding Limitation	Atlantic shall not distribute or transfer the Series A Preferred Shares (and, hence, shares) if the board of directors of Spur is satisfied that: (a) no person, or combination of persons acting in concert, (b) no Canadian securities legislation) shall, taking into account the conversion of such Spur Series A Preferred Shares, all other Spur common shares held by such person(s), hold 10% or more of the total number of shares of Spur, such distribution or transfer by Atlantic will not otherwise cause a change of control of Spur as determined by the TSX Venture Exchange.
Dividends	No dividends will be paid or payable to any holder of the Spur Series A Preferred Shares.
Voting	The holders of the Spur Series A Preferred Shares shall not as such be entitled to vote. The holders of the Spur Series A Preferred Shares shall be entitled to notice of meetings of shareholders called for the purpose of authorizing or approving a substantial part thereof or the creation of any class or classes of shares ranking in priority to the Spur Series A Preferred Shares.
Distribution of Assets or Property Upon Wind Up or Dissolution (Priority)	In the event of any distribution of the assets or property of Spur among its shareholders, the holders of the Spur Series A Preferred Shares shall be entitled to a redemption or purchase for cancellation of the Spur Series A Preferred Shares or up to the amount of the assets or property of Spur shall be distributed to the holders of Spur ranking junior to the Spur Series A Preferred Shares, an amount equal to the redemption price of the Spur Series A Preferred Shares shall mean the amount paid for the redemption of the Spur Series A Preferred Shares.
Purchase by Spur for Cancellation	Spur may at any time and from time to time purchase the Spur Series A Preferred Shares with the consent of the holders of the Spur Series A Preferred Shares; or (c) pursuant to the consent of all of the holders of the Spur Series A Preferred Shares, the whole or any part of the Spur Series A Preferred Shares, in the opinion of the directors of Spur, such shares are obtainable.
Amendment	Any amendment to the Articles of Spur to delete or vary any preference, right, condition or restriction of the Spur Series A Preferred Shares or to create any special shares ranking in priority to or on a par with the Spur Series A Preferred Shares, shall be authorized by at least three-quarters of the votes of the holders of the Spur Series A Preferred Shares duly called for that purpose.

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