

Reliance Resources Ltd. Announces Expansion of its Iron Exploration and Development Business Model

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Interim Private Placement of \$200,000, and Provides Shareholder Update

MINNEAPOLIS, July 3, 2014 - [Reliance Resources Ltd.](#) (TSXV: RI) ("Reliance") or ("the Company") is pleased to announce an expansion to its iron exploration and development business activities and a related interim private placement, as well as to provide this shareholder update.

Application submitted to lease 24 additional iron properties.

The Company has recently submitted to the Minnesota Department of Natural Resources ("DNR") applications to lease an additional 24 iron stockpile and tailings properties (the "properties") in the vicinity of Hibbing, Minnesota. Terms for leases on the properties have been negotiated between the Company and the DNR, and execution of the leases is expected within one week. A Technical Report on Form NI 43-101 has been completed by a Qualified Person retained by the Company on three of the first property areas. Additional Technical Reports will be prepared on many of the other properties during the next few months.

In addition, the Company is negotiating for the services of the Natural Resource Research Institute ("NRRI"), a department of the University of Minnesota at Duluth, at its metallurgical and laboratory facilities at Coleraine, Minnesota, and for its cooperation and assistance in the evaluation of the processing technologies that could potentially be used in the properties in the future.

Interim private placement, roll back of shares on a five for one basis, and lifting of the trading halt.

The Company also announced on April 7 a pending five for one consolidation of its common shares. The Company has filed the necessary forms with the TSX Venture Exchange for the consolidation of the Company's common shares on a five for one basis as previously announced and for the lifting of the trading halt. Completion of these matters is now awaiting final approval by the Exchange.

The Company is pleased to announce that it has also filed for conditional approval of an interim private placement financing of \$200,000. Proceeds from this financing will be used to finance the acquisition of leases on the properties, preparation of Technical Reports on Form 43-101, systematic sampling and assaying, and ongoing metallurgical test work, as well as administrative and general costs and expenses of the Company, pending the closing of the acquisition transaction. The issue price of the private placement will be the greater of \$0.05 per share, on a post-consolidation basis, or the 5-day volume weighted average price of the Company's shares in the market for the 5-day period immediately following the lifting of the trading halt. The interim financing will carry a full warrant at an exercise price equal to the issue price, exercisable over a 12-month period following closing of the financing.

Update on Indonesian property rights – Kapa-Kapa and Roko Properties

The Company recently received letters from an Indonesian law firm representing PT. Hibualamo Jaya ("Jaya") dated March 24, 2014 and April 2, 2014 (the "letters") purporting to inform the Company that the Joint Cooperation for the Exploration and Exploitation of Precious Metal (the "agreement") dated January 14, 2008 between Jaya and the Company's wholly-owned subsidiary, PT Champion Halmahera Mining, does not have force. The agreement relates to the Kapa-Kapa and Roko properties (the "properties") in Indonesia. The letters further informed the Company of a decision by the District Court of Central Jakarta, dated May 21, 2013, purporting to declare that the agreement 'does not have force' as it concerns the properties. The court decision appears to have been the result of an ex parte proceeding in which the Company was not present to represent its rights and interests.

The Company is reviewing the decision of the court and believes it is improper and invalid. The Company is commencing a counter suit in the Jakarta courts to have the court decision annulled. The Company will vigorously pursue its rights in this matter.

While Reliance is working to complete the acquisition transaction, it is also actively investigating options to

obtain maximum benefit from its existing Indonesian assets. Shareholders will be notified at an appropriate time on the outcome of these efforts.

On behalf of the Board of Directors of Reliance

George S. Young
Chairman, CEO and Director

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 Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this news release include statements about the proposed Transaction, proposed management restructuring, American Iron's proposed acquisition of its Mineral Properties and the Company's future plans, objectives and business strategy.

In connection with the forward-looking information contained in this news release, the Company has made numerous assumptions, regarding, among other things, the assumption that the parties will complete the principal conditions for completion of the Transaction, including but not limited to the Company's completion of the Financing and acquisition of the Mineral Properties; the receipt of necessary shareholder and regulatory approvals; and the assumption the Company will continue as a going concern and will continue to be able to access the capital required to advance its projects and continue operations. While the Company considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies. In addition, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: the inability of American Iron to acquire the Mineral Properties; the possibility that the Financing will not be completed; and the possibility that the Company may not be able to continue as a going concern in the near term.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

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