Kaizen Discovery and ITOCHU Agree to $4 Million Funding Deal to Explore Aspen Grove Copper-Gold Porphyry Project in Southwestern B.C.

18.08.2014 | Marketwire

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 18, 2014) - B. Matthew Hornor, President and Chief Executive Officer of Kaizen Discovery Inc. (TSX VENTURE:KZD), today announced the signing of a definitive project financing agreement with strategic partner ITOCHU Corporation of Japan. ITOCHU has formally agreed to partner with Kaizen and provide C$4 million to fund corporate and exploration activities on Kaizen's newly acquired Aspen Grove copper-gold porphyry project in British Columbia. The transaction is expected to close on August 22, 2014.

Kaizen plans to commence diamond drilling at Aspen Grove's Par prospect in September 2014 to follow up on recently mapped mineralization and alteration in addition to historic drill results from the 1960s when copper mineralization was discovered by a previous operator (see West Cirque Resources news release dated January 8, 2013).

Kaizen acquired its 100% interest in the 11,237-hectare Aspen Grove Project upon completion of its acquisition of West Cirque Resources in an all-share transaction that closed last month.

Aspen Grove is located between the Highland Valley and Copper Mountain mines at the southern end of British Columbia's copper-rich Quesnel Trough. The project's proximity to Vancouver, year-round road access and on-site grid power will help enable Kaizen to efficiently test widespread copper mineralization found in several targets.

Highlights of the Kaizen-ITOCHU agreement:

- ITOCHU will acquire a 40% equity interest in an indirect wholly-owned Kaizen subsidiary that holds the mineral titles comprising the Aspen Grove Project in exchange for a cash payment of C$4 million;
- ITOCHU and Kaizen will form a technical committee to manage the exploration program at the Aspen Grove Project, with initial activities, including drilling, beginning in September 2014;
- Kaizen will be the operator of the Aspen Grove Project;
- ITOCHU will be entitled to off-take from the Aspen Grove Project in proportion to its ownership interest; and
- ITOCHU will use reasonable endeavours to arrange project financing and support from Japanese financial institutions for the development of the Aspen Grove Project.

"We are thankful for ITOCHU's continued support and look forward to further opportunities to work together on our growing portfolio of international mineral projects," said Mr. Hornor.

"Kaizen is systematically identifying highly prospective projects strategically located along the Pacific Rim and leveraging its financial and technical advantages to distinguish itself in this challenging market. We believe our strategic positioning allows us to decisively act on attractive opportunities, which bodes well for Kaizen's continued growth and expansion."

Tokyo-based ITOCHU originally invested C$5.1 million in Kaizen in February of this year and currently holds a 5.7% stake in the company. A framework agreement entered into between Kaizen and ITOCHU in January 2014 established a collaborative working arrangement under which both companies agreed to evaluate opportunities to explore and develop selected, high-quality, international mineral projects. A copy of the agreement is filed under Kaizen's profile at www.sedar.com.

ITOCHU's investment under the Aspen Grove Project financing agreement is subject to receipt of all required approvals of the TSX Venture Exchange.

About Kaizen Discovery

Kaizen is a Canadian technology-focused, mineral exploration company that was formed in late 2013 through a combination of Concordia Resource Corp. and assets acquired from HPX TechCo Inc., a 100%-owned subsidiary of High Power Exploration Inc. With its collaboration agreement with ITOCHU of Japan and access to HPX TechCo's proprietary geophysical technology, Kaizen's long-term growth strategy is to work with Japanese partners to identify, explore and develop high-quality mineral projects that have the potential to produce and deliver minerals to Japan's industrial sector.

More information on Kaizen is available at www.kaizendiscovery.com

About ITOCHU

ITOCHU is one of the leading Japanese trading corporations, with approximately 130 bases in 66 countries. ITOCHU engages in domestic trading, import/export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, information and communications technology, realty, general products, insurance, logistics services, construction, and finance, as well as business investment in Japan and overseas.

More information on ITOCHU is available at www.itochu.co.jp/en

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

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in Kaizen's periodic filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, should," and similar expressions, are forward-looking statements. Information provided in this document is necessarily summarized and may not contain all available material information.

Although Kaizen has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the proposed transaction could be modified, restricted or not completed, and the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. Kaizen disclaims any intention or obligation to update or revise such information, except as required by applicable law, and Kaizen does not assume any liability for disclosure relating to the other company mentioned herein.

Contact

Kaizen Discovery Inc.
B. Matthew Hornor
President and CEO
+1-604-669-6446
matthew@kaizendiscovery.com
Kaizen Discovery Inc.
Steve Vanry
Executive Vice President, Corporate Development
+1-604-669-6446
steve@kaizendiscovery.com
www.kaizendiscovery.com