

NewCastle Gold and Catalyst Copper Announce Definitive Agreement

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TORONTO, April 14, 2016 - [NewCastle Gold Limited](#) (TSX VENTURE:NCA) (the "Company" or "NewCastle") and [Catalyst Copper Corporation](#) (TSX VENTURE:CCY) ("Catalyst") are pleased to announce that they have entered into the definitive agreement (the "Agreement") providing for the previously announced combination of their respective businesses to create a new company, anchored by the substantially permitted Castle Mountain Gold Project located in California, with the goal of creating a new mid-tier gold company.

The combined company will provide shareholders with exposure to a significant, substantially permitted gold resource at NewCastle's Castle Mountain Gold Project, including 0.48 million measured ounces of gold at 0.86 g/t, 3.7 million indicated ounces at 0.57 g/t, and 0.76 million inferred ounces at 0.58 g/t¹, as well as a strengthened management team led by Richard Warke, as Executive Chairman. The post-merger board of NewCastle will consist of Richard Warke, David Adamson, Mark Wayne, David Reid, Jim Gowans, Frank Giustra and Colin Sutherland. The combined company will continue to be named "[NewCastle Gold Ltd.](#)"

The merger will be effected by way of a statutory plan of arrangement under which shareholders of Catalyst will receive one common share of NewCastle for each common share of Catalyst held (the "Arrangement"). On a post-merger basis, the outstanding shares of NewCastle will be held, as to approximately 60%, by the shareholders of NewCastle and, as to approximately 40%, by the former shareholders of Catalyst.

The Arrangement will be subject to approval by at least two-thirds of the votes cast by the shareholders of Catalyst and at least two-thirds of the votes cast by the shareholders, warrant holders and option holders of Catalyst (voting together) at a special meeting of the Catalyst securityholders. In addition, the Arrangement will be subject to approval by the Supreme Court of British Columbia and by the TSX Venture Exchange (the "TSX-V").

Certain directors and officers of Catalyst have entered into agreements to vote all securities of Catalyst owned or controlled by them in favour of the Arrangement (representing in aggregate 66.48% of the outstanding Catalyst common shares and 73.05% of the outstanding Catalyst common shares, options and warrants).

The Agreement includes customary provisions including, among other things, non-solicitation covenants, a fiduciary out of the Catalyst board and a right of NewCastle to match any superior proposal. In the event that Catalyst wishes to terminate the Agreement in order to support a superior proposal, Catalyst is obligated to pay to NewCastle an amount equal to C\$1.5 million as a termination payment.

It is a condition of the Arrangement that Catalyst will have not less than C\$3,750,000 of net cash at closing (less any amounts invested by Catalyst in NewCastle pursuant to the private placement described below). Certain directors and officers of Catalyst have agreed to exercise certain of their warrants and stock options to provide Catalyst with cash prior to closing. In addition, Catalyst has agreed to complete a private placement of shares if Catalyst will not have sufficient net cash to satisfy the condition. Such private placement will be at a price of C\$0.275 per Catalyst common share.

Catalyst agreed to subscribe for up to C\$600,000 of common shares of NewCastle by way of a private placement at an issue price of C\$0.275 per common share. The first tranche of C\$100,000 closed on March 28, 2016. The second and final tranche of \$500,000 is expected to close later today.

In connection with the Arrangement, Catalyst agreed to issue a C\$400,000 convertible note to a third party investor, subject to approval of the TSX-V. The convertible note has a term of one year and is convertible into units at a price of C\$0.275 per unit, with each unit comprised of one Catalyst common share and one-half of one common share purchase warrant. A whole warrant entitles the holder to purchase one Catalyst common share at an exercise price of C\$0.41 per common share with an expiry date that is two years after the date of issuance of the convertible note. The convertible note will automatically convert into Catalyst shares and warrants immediately prior to the closing of the Arrangement.

In connection with the Arrangement, NewCastle engaged GMP Securities L.P. ("GMP") to provide a fairness opinion to the NewCastle board of directors. As consideration for its services under this engagement, GMP

will be issued, subject to approval of the TSX-V, 357,143 common shares of NewCastle.

The Catalyst securityholder meeting to approve the Arrangement is expected to be held on May 18, 2016 and the Arrangement is expected to close before the end of May 2016. Further details of the Arrangement will be provided in the information circular to be mailed to securityholders in connection with the meeting.

About NewCastle

NewCastle has 100% of the right, title and beneficial interest in and to the Castle Mountain Venture, a California general partnership, which owns the Castle Mountain property (the "Project") in San Bernardino County, California. The Castle Mountain heap leach gold mine produced over one million ounces of gold from 1992 to 2001, when mining was suspended due to low gold prices. The Mine and Reclamation Plan, under which the mine operated, was authorized by the County of San Bernardino as the Lead Agency and remains in effect. Water for the drill programs was accessed from existing patented wells on the Project.

An updated NI 43-101 resource for the project was announced December 2, 2015 which includes Measured Mineral Resource of 17.4 million tonnes grading 0.86 g/t containing 0.48 million ounces, Indicated Mineral Resources of 202.5 million tonnes grading 0.57 g/t gold and containing 3.71 million gold ounces along with Inferred Mineral Resources of 40.8 million tonnes grading 0.58 g/t gold and containing 0.76 million gold ounces. The Project hosts a disseminated low sulphidation epithermal system. Gold is primarily hosted by late-stage rhyolite volcanic units within zones of silicification and brecciation associated with northeast-southwest trending/southeast dipping fault structures which are interpreted to have developed within a collapsed caldera environment. Eleven gold domains are represented by both steep and shallow-dipping orientations.

Ian R. Cunningham-Dunlop, P. Eng., the Company's Vice President Exploration, is the designated Qualified Person for this news release within the meaning of NI 43-101. He has reviewed and verified that the technical information contained in this release is accurate and has approved of the written disclosure of the same.

About Catalyst

Catalyst is a copper and base metal company with a focus on copper mining projects in Mexico. Catalyst's 60%-owned La Verde Copper Project (remaining 40%-owned indirectly by [Teck Resources Ltd.](#)) is situated in the Sierra Madre del Sur, approximately 320 kilometres west of Mexico City in Michoacán State and has excellent infrastructure. The amended September 30, 2012 Preliminary Economic Assessment contemplates La Verde to be an open pit producing over 200 million pounds of copper per year over a 20 year mine life. The Mineral Resources² at La Verde include 57.5 million tonnes grading 0.45% copper Measured, 350.4 million tonnes grading 0.40% copper Indicated and 337.8 million tonnes grading 0.37% copper Inferred.

Cautionary Note Regarding Forward Looking Statements

Certain information contained in this news release, including any information relating to the Agreement and completion of the transaction involving NewCastle and Catalyst and any other statements regarding NewCastle's and Catalyst's future expectations, beliefs, goals or prospects, constitute forward-looking information within the meaning of applicable securities legislation (collectively, "forward-looking statements"). All statements in this news release that are not statements of historical fact (including statements containing the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "potential" and similar expressions) should be considered forward-looking statements. All such forward-looking statements are subject to important risk factors and uncertainties, many of which are beyond NewCastle's and Catalyst's ability to control or predict. A number of important factors could cause actual results or events to differ materially from those indicated or implied by such forward-looking statements, including without limitation: the parties' ability to complete the transaction contemplated by the Agreement, including the receipt of shareholder approvals, court approval or the regulatory approvals required for the Arrangement may not be obtained on the terms expected or on the anticipated schedule; the parties' ability to meet expectations regarding the timing, completion and tax treatments of the Arrangement; the volatility of the international marketplace; and other risk factors as described in NewCastle's most recent annual information form and annual and quarterly financial reports and as described in Catalyst's publicly available information.

Neither NewCastle nor Catalyst assumes any obligation to update the information in this communication, except as otherwise required by law. Additional information identifying risks and uncertainties is contained in NewCastle's filings with the various provincial securities commissions which are available online at

www.sedar.com. Forward-looking statements are provided for the purpose of providing information about the current expectations, beliefs and plans of the managements of NewCastle and Catalyst relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. Readers are also cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this communication.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.

Cautionary Note Concerning Estimates of Inferred and Indicated Resources

This news release uses the terms "Inferred Resources" and "Indicated Resources", which have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred and/or Indicated Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. NewCastle advises U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. U.S. investors are cautioned not to assume that part or all of an Inferred and Indicated resource exists, or is economically or legally minable.

1. The NI 43-101 Technical Report and Updated Mineral Resource Estimate for the Castle Mountain Project, San Bernardino County, California, USA" (the "Report"), dated January 15, 2016, prepared by James N. Gray, P.Geo. of Advantage Geoservices Ltd., R. Bob Singh, P.Geo. of North Face Software Ltd., William J. Pennstrom, Jr., Registered Member/SME of Pennstrom Consulting Inc., Kevin Kunkel, P.Geo. and Ian R. Cunningham-Dunlop, P.Eng., in accordance with disclosure and reporting requirements set forth in the Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101"), "Standards of Disclosure for Mineral Projects". Mr. Gray, Mr. Singh and Mr. Pennstrom are independent Qualified Persons as defined by NI 43-101. Garth D. Kirkham, P.Geo. of Kirkham Geosystems Ltd. performed a third-party peer review of the Mineral Resource estimate and the Report prior to filing. This report is available at www.sedar.com.
1. On January 18, 2013 Catalyst announced delivery of a NI 43-101 Technical Report; including a Preliminary Economic Assessment Study ("PEA") completed by AMC Mining Consultants (Canada) Ltd. (effective date September 2012). This Technical Report was based in part on the Tetrattech Technical Report. Both technical reports are available under Catalyst's profile at www.sedar.com

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