

Colorado Resources and Buckingham Copper Announce Non-Binding Letter of Intent for Acquisition of Buckingham by Colorado

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VANCOUVER, May 8, 2019 - [Colorado Resources Ltd.](#) (TSXV: CXO) ("Colorado") and Buckingham Copper Corp. ("Buckingham") are pleased to announce that they have entered into a non-binding letter of intent (the "LOI") contemplating a potential transaction involving the acquisition of all of the issued and outstanding common shares (the "Buckingham Shares") of Buckingham (the "Proposed Transaction").

Proposed Transaction Highlights

- Adds key ground to Colorado's Golden Triangle land package. Buckingham holds an option to earn a 100% interest in the Moat Property (Figure 1) which is strategically located between Colorado's Kinaskan-Castle Property, and GT Golden Triangle Property. Tatogga¹ contains high-grade, epithermal gold-silver-copper vein-style mineralization at Saddle South (Colorado news February 12, 2019) and high-grade, large tonnage gold-copper porphyry mineralization at Saddle North¹ (Colorado news January 9, 2019). Similar styles of mineralization have been documented at Colorado's Castle Central and Castle West occurrences, reflected in large-scale gold-copper soil geochemical with coincident IP geophysical anomalies, located approximately 10 km along geological trend to the west of Tatogga¹ (Colorado news October 22, 2018). High-quality gold-copper targets outlined by Colorado during the 2016-2018 field seasons have yet to be drill tested.
- Additional copper-gold porphyry target in British Columbia. Buckingham owns 100% of the Sofia Property (Figure 2) which covers 9,113 Ha and is located approximately 30 km north of Centerra's Kemess¹ Project. The Property includes several large copper-gold porphyry targets based on coincident geophysical-geochemical anomalies, and numerous precious metal vein prospects as well.
- Experienced technical team. Buckingham's highly experienced technical team includes Michael Cathro, Dr. Jim Campbell, Rebagliati, Alex Walcott and Justin Himmelright. The team is very familiar with the Colorado land tenure, and possesses world-class expertise in the regional geology of the Golden Triangle, having worked extensively on its contained gold-copper porphyry and epithermal gold-silver-copper mineral systems. The Buckingham and Colorado combined teams have long-standing positive relationships with local communities and BC government regulators.
- Complementary leadership and management. Colorado will retain three existing directors, including Patrick Soare who will continue as Chairman of the Board. Buckingham will propose two directors, including Michael Cathro. Joseph Murray, Buckingham's CEO, an experienced restructuring and M&A professional who has worked for Goldman Sachs, Invenio Capital and Millennium Global Investments, and has held a number of operating roles, will be appointed CEO of Colorado. Robert Shaw, Colorado's current President and CEO. In addition, a newly appointed CFO and Corporate Secretary will replace Terese Gieselman. Both Mr. Shaw and Ms. Gieselman are leaving to pursue other interests and are thankful for their service to Colorado.
- Provides 2019 funding for exploration at Kinaskan-Castle-Moat. Under the agreement Buckingham will be bringing forward the Concurrent Financing a minimum of \$2.5 million, a \$1.5 million work program is being planned for exploration at Kinaskan-Castle and Moat. Work is expected to include ground based exploration leading to drilling in Q3. Colorado holds a valid permit for exploration drilling at Kinaskan-Castle (Colorado Resources news October 22, 2018).
- Minimal Dilution to CXO Shareholders: As contemplated, the Proposed Transaction and Concurrent Financing will result in existing Colorado shareholders owning approximately 76.9%, Buckingham shareholders owning approximately 7.1% and participants of the Concurrent Financing owning approximately 15.4% of the post-closing issued and outstanding Shares.

Terms of Transaction

Under the terms of the LOI, should the Proposed Transaction be implemented, all of the Buckingham Shares will be exchanged for Colorado common shares ("Colorado Shares") on the basis of 0.50 of a Colorado Share for each Buckingham Share (the "Exchange Ratio"). The Exchange Ratio implies consideration of C\$1,249,054 for 100% of the Buckingham Shares at an equivalent price of C\$0.10 per Colorado Share. This represents a premium of 67% based on the closing price of Colorado on the TSX Venture Exchange ("TSXV") on May 3, 2019.

In order to provide Colorado with bridge financing, Buckingham has provided a C\$200,000 non-recourse subordinated loan to Colorado upon signing of the LOI ("Loan").

In addition to the other conditions identified below, Buckingham is required to raise a minimum of C\$2,500,000 via a subscription receipt ("Subscription Receipt") offering at a weighted average minimum price of C\$0.10 per Subscription Receipt. The Subscription Receipts will ultimately be exchanged for Colorado Shares and Colorado share purchase warrants on closing of the Proposed Transaction ("Concurrent Financing").

The Proposed Transaction is subject to a range of conditions, including, but not limited to, Buckingham and Colorado entering into a definitive agreement relating to the Proposed Transaction (the "Definitive Agreement") containing terms and conditions, representations and warranties customary non-solicitation covenants, board support and fiduciary-out provisions all customary to transactions of this nature.

The entering into of the Definitive Agreement is subject to, among other things, completion of the parties' respective due diligence and approval of the Boards of Colorado and Buckingham. There is no certainty that the parties will be able to conclude the Proposed Transaction. The LOI is non-binding and neither Colorado nor Buckingham is under any obligation to enter into, or continue negotiations regarding, the Definitive Agreement or to proceed with the Proposed Transaction. Other than as specifically set out in the LOI, no binding agreement will exist between Colorado and Buckingham relating to the Proposed Transaction unless and until the Definitive Agreement has been finalized and executed.

Colorado President and CEO, Robert Shaw, states "We are very excited about this opportunity to consolidate land tenure, and technical and management teams with Buckingham, to the mutual benefit of both companies and their shareholders. We view this as a real "win-win" transaction, which will provide Colorado with strong technical and financial underpinning, in order to spearhead 2019 exploration along the Saddle¹-Castle Au-Cu (Ag) belt, which is emerging as one of the most prospective trends presently being explored in the Golden Triangle."

LOI Conditions and Steps to Definitive Agreement

Buckingham and Colorado have agreed to a 30 day exclusivity period during which they will negotiate exclusively with each other with a view to settling the Definitive Agreement. In the event that the Definitive Agreement is entered into between the parties, and subject to the final transaction structure, the closing of the Proposed Transaction will be subject to additional conditions precedent including, but not limited to, the receipt of all required third party and regulatory agencies approvals, including the TSXV.

In the event that:

- (i) Colorado breaches the exclusivity provisions of the LOI or accepts an alternative transaction between the end of the exclusivity period and the date that is 3 months from the date hereof, a break fee of \$100,000 shall be payable by Colorado to Buckingham; and
- (ii) Buckingham breaches the exclusivity provisions of the LOI or accepts an alternative transaction between the end of the exclusivity period and the date that is 3 months from the date hereof, the Loan shall be immediately and fully discharged and forgiven.

Buckingham and Colorado will issue further information about the Proposed Transaction in the near future. However, there is no obligation on the part of either party to consummate the Proposed Transaction or to enter into the Definitive Agreement.

There can be no assurances that any component of the Proposed Transaction will proceed, nor can there be any assurance as to the final definitive terms thereof.

ABOUT COLORADO

[Colorado Resources Ltd.](#) is currently engaged in the business of mineral exploration for the purpose of acquiring and advancing mineral properties located in the "Golden Triangle" British Columbia. The Company's main exploration projects within British Columbia include KSP, North ROK, Kingpin and Kinaskan-Castle.

ABOUT BUCKINGHAM

Buckingham Copper Corp. is a public reporting Canadian exploration company focused on exploring and developing its Sofia and its Moat Property. The Properties are located in the Toodogone and Golden Triangle districts respectively, in British Columbia. For additional information please visit www.sedar.com.

Technical Disclosure

This press release contains certain scientific and technical information of Buckingham and Colorado. Each party is solely responsible for the contents and accuracy of any scientific and technical information disclosure relating to it.

Michael Cathro, P.Geo., Director of Buckingham and a Qualified Person under National Instrument 43-101, has reviewed and approved the Buckingham scientific and technical information contained in this press release.

Bill Yeomans P.Geo., Independent Consultant to Colorado Resources and a Qualified Person under National Instrument 43-101, has reviewed and approved the Colorado scientific and technical information contained in this press release.

ON BEHALF OF THE BOARD OF DIRECTORS OF BUCKINGHAM COPPER CORP.

"Joseph Mullin"

Joseph Mullin
Chief Executive Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF COLORADO RESOURCES LTD.

"Robert Shaw"

Robert Shaw
President and Chief Executive Officer

Cautionary Note ¹ release and figures

¹ This news release contains information about adjacent properties on which Colorado and Buckingham have no right to explore or mine. Readers are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on the Company's properties.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. All statements other than statements of present or historical fact are forward-looking statements, including statements with respect to the Letter of Intent and the likelihood that the definitive agreement(s) will be entered into and that Proposed Transaction will be consummated on the terms and timeline provided herein or at all, the benefits of the Proposed Transaction to Colorado and Buckingham and the receipt of all required approvals including without limitation the shareholders of Buckingham and applicable regulatory authorities and applicable stock exchanges. Forward-looking statements include words or expressions such as "proposed", "will", "subject to", "near future", "in the event", "would", "expect", "prepared to" and other similar words or expressions. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include general business, economic, competitive, political and social uncertainties; the state of capital markets; risks relating to (i) the preliminary and non-binding nature of the LOI, (ii) the ability of the parties to satisfy the conditions precedent to the execution of any definitive agreement(s) or to ultimately agree on definitive terms, (iii) the impact on the respective businesses, operations and financial condition of Buckingham and Colorado resulting from the announcement of the Proposed Transaction and/or the failure to enter into definitive agreement(s) or to complete the Proposed Transaction on terms described or at all, (iv) a third party competing bid materializing prior to the effective date of any definitive agreement(s) or the completion of the Proposed Transaction, (v) delay or failure to receive board, shareholder regulatory or court approvals, where applicable, or any other conditions precedent to the completion of the Proposed Transaction, (vi) unforeseen challenges in integrating the businesses of Buckingham and Colorado, (vii) failure to realize the anticipated benefits of the Proposed Transaction, (viii) other unforeseen events,

developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant; and other risks described in Colorado's and Buckingham's documents filed with Canadian securities regulatory authorities. You can find further information with respect to these and other risks in filings made by Colorado and Buckingham with the Canadian securities regulatory authorities and available at www.sedar.com. Colorado's documents are also available on their website at www.ColoradoResources.com. We disclaim any obligation to update or revise these forward-looking statements, except as required by applicable law.

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.

SOURCE Buckingham Copper Corp.

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