

Star Royalties Ltd. Highlights Proposed Acquisition of Sabre Gold by Minera Alamos

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[Star Royalties Ltd.](#) ("Star Royalties", or the "Company") (TSXV:STRR) (OTCQX:STRFF) is pleased to highlight an announcement by [Sabre Gold Mines Corp.](#) ("Sabre Gold") (TSX: SGLD, OTCQB: SGLDF), dated October 28, 2024, regarding its entering into of a definitive agreement for the purposes of being acquired by [Minera Alamos Inc.](#) ("Minera Alamos") (TSXV: MAI, OTCQX: MAIFF) pursuant to a plan of arrangement (the "Transaction"). Following closing of the Transaction, currently anticipated in January 2025, the Company's existing gold streaming agreement on the Copperstone Gold Mine ("Copperstone") will remain a flat 4% of gold produced for the duration of Copperstone's life-of-mine ("LOM"). Under the terms of the streaming agreement, Star Royalties will provide a cash payment to Minera Alamos equal to 25% of the spot gold price for each ounce of gold delivered. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Transaction Highlights

- Copperstone to be owned by proven mine builders and operators: Minera Alamos' established track record of permitting, building, and operating gold mines will be a key driver to returning Copperstone to production. Its management team has placed four cost-effective mines into production, while its current portfolio has projects in permitting, development, and production stages in similar geographies to Copperstone.
- Accelerated timeline to production: Copperstone is expected to become a priority development project for Minera Alamos. Minera Alamos has indicated its intent to accelerate Copperstone into production by already initiating engineering efforts aimed at fast-tracking Copperstone's development, engaging with lenders regarding finance facilities, as well as expanding its technical team. Copperstone's permits are in place for the restart of mining operations and Minera Alamos anticipates a 12-month construction schedule from a construction decision.
- Potential for reductions in development costs: Minera Alamos has a track record of developing mines into production at, or below, budget. Furthermore, Minera Alamos expects to be able to relocate a portion of the grinding and flotation equipment already owned by it to be utilized at Copperstone, including major equipment items required for reactivation of the crushing, grinding, flotation and filtration facilities. Process plant equipment and infrastructure accounted for approximately 40% of the capital budget for restarting Copperstone as per its June 2023 Preliminary Economic Assessment ("PEA").
- Validation of Copperstone and its stream value: As per Copperstone's PEA and assuming a gold price of US\$2,500/oz, the Company's stream is expected to generate over US\$17 million in LOM pre-tax cash flow prior to any successful mine-life extension from resource conversion and exploration upside.
- Immediate and significant premium to equity ownership: Upon closing of the Transaction, the Company's current equity position in Sabre Gold of 7,407,407 shares, received as part of the Company's stream restructuring and as detailed in the Company's news release dated October 3, 2023, will be converted into 5,133,333 shares of Minera Alamos, representing a 116% premium to Sabre Gold's closing share price as of October 25, 2024 and a 100% premium to the Company's stream restructuring value. The Transaction will also diversify the Company's equity exposure from a single-asset developer in Sabre Gold to a portfolio of operating and development-stage projects in Minera Alamos.
- C\$2.0 million in contingent payments to be converted to equity: Furthermore, upon closing of the Transaction, the Company's outstanding C\$2.0 million payments owed by Sabre Gold, as detailed in the Company's news release dated October 3, 2023, will be converted into an additional 4,459,459 shares of Minera Alamos, as a result of the share exchange process detailed in Sabre Gold's news release dated October 28, 2024.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "We are pleased to have supported

Sabre Gold's proposed acquisition by Minera Alamos. We had been working closely with Sabre Gold's management on a definitive route forward for Copperstone and we believe this merger represents the most impactful pathway to unlocking significant value for our investment and for our shareholders. Minera Alamos is a proven mine builder and miner, and we view them as an excellent future partner to finance, construct, and operate Copperstone. We also see meaningful re-rating potential for our 9.6 million Minera Alamos shares, to be received at Transaction closing, as Minera Alamos further derisks its portfolio and advances its pipeline. This Minera Alamos equity will improve the liquidity and strength of our balance sheet. Overall, this is a material transaction for Star Royalties as it not only cements value for our Copperstone stream, but it also meaningfully rerates and derisks our mining royalty portfolio as a whole, and ultimately could close the valuation gap implied by our share price to the value of our underlying mining royalty portfolio and Green Star ownership."

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About Star Royalties Ltd.

Star Royalties Ltd. is a carbon credit and precious metals royalty and streaming company. The Company innovated the world's first carbon credit royalties in forestry and regenerative agriculture through its pure-green joint venture, Green Star Royalties Ltd., and offers investors exposure to carbon credit and precious metals prices. The Company's objective is to provide wealth creation by originating accretive transactions with superior alignment to both counterparties and shareholders.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute "forward-looking statements", including those regarding future market conditions for metals and minerals, future valuation of Minera Alamos, development and production of Copperstone, permitting and construction scheduling of Copperstone, future location of Copperstone grinding and flotation equipment, expected future cash flow from the stream agreement, the net cash position of Sabre Gold, the successful closing of the Transaction, the issuance of the Sabre Gold and Minera Alamos shares under the Transaction, the Company's position in Copperstone's future gold production, the net cash position of the Company, and future capital raising opportunities are statements that address or discuss activities, events or developments that the Company expects or anticipates may occur in the future. When used in this news release, words such as "estimates", "expects", "plans", "anticipates", "will", "believes", "intends", "should", "could", "may" and other similar terminology are intended to identify such forward-looking statements. Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of Star Royalties to be materially different from future results, performances or achievements expressed or implied by such statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be an accurate indication of whether or not such results will be achieved.

A number of factors could cause actual results, performances or achievements to differ materially from such forward-looking statements, including, without limitation, changes in business plans and strategies, market and capital finance conditions, ongoing market disruptions caused by the Ukraine and Russian conflict, metal and mineral commodity price volatility, discrepancies between actual and estimated production and test results, mineral reserves and resources and metallurgical recoveries, mining operation and development risks relating to the parties which produce the metals and minerals Star Royalties will purchase or from which it will receive royalty payments, risks inherent to royalty companies, title and permitting matters, activities by governmental authorities, currency fluctuations, the global, federal and provincial social and economic climate in particular with respect to addressing and reducing global warming, natural disasters and global

pandemics, dilution, risk inherent to any capital financing transactions. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.

SOURCE: Star Royalties Ltd.

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