

Abacus Arranges CAD\$3 Million Loan and Signs Agreement for the Acquisition of Burnstone Ventures

31.07.2014 | [Marketwired](#)

VANCOUVER, Jul 31, 2014 - [Abacus Mining & Exploration Corporation](#) ("Abacus") (TSX VENTURE:AME) is pleased to announce that it has entered into a binding letter agreement (the "Letter Agreement") with [Burnstone Ventures Inc.](#) ("Burnstone") (TSX VENTURE:BVE) pursuant to which Abacus will acquire, in consideration of Abacus common shares (the "Abacus Shares"), all of the outstanding securities of Burnstone by way of a statutory court-approved plan of arrangement (the "Arrangement").

Upon closing of the Arrangement, Burnstone will become a wholly-owned subsidiary of Abacus. Burnstone's principal asset is the Tomichi copper-molybdenum porphyry project located in the Colorado Mineral Belt in Gunnison County, south-central Colorado (the "Tomichi Project").

Terms of the Arrangement

Under the terms of the Arrangement:

- Burnstone shareholders will receive 0.43 of an Abacus Share for each one Burnstone common share (a "Burnstone Share").
- All outstanding Burnstone share purchase warrants will be assumed by Abacus and adjusted based on the 0.43 exchange ratio.
- Burnstone has agreed to complete a debt settlement with certain of its creditors for Burnstone Shares (the "Debt Settlement"), which will be exchanged for Abacus Shares under the Arrangement.
- A total of approximately 23 million Abacus Shares are expected to be issued in connection with the Arrangement, representing approximately 10% of the outstanding Abacus Shares on completion of the Arrangement.
- On closing of the Arrangement, Gordon Keevil, a current director of Burnstone, will be appointed to the board of Abacus.
- Each of the directors and officers of Burnstone will execute lock up agreements agreeing to vote any Burnstone Shares they hold in favour of the Arrangement.

The Arrangement is subject to a number of closing conditions including, but not limited to, a confirmatory due diligence review of Burnstone and its assets by Abacus to be completed on or before August 14th, approval by the shareholders of each of Abacus and Burnstone, receipt of all court and regulatory approvals, including that of the Ontario Superior Court and the TSX Venture Exchange, completion of the Debt Settlement, and all outstanding Burnstone stock options being cancelled.

Abacus and Burnstone have agreed to enter into a definitive arrangement agreement (the "Arrangement Agreement") incorporating the terms of the Letter Agreement and other terms and conditions customary for transactions of this nature, on or before August 22nd.

Information Regarding Burnstone

Burnstone is a TSX Venture Exchange listed company whose main asset is the Tomichi Project in which Burnstone has an option to earn a 100% interest. The Tomichi Project has an initial inferred mineral resource estimate of 2.5 billion lbs Copper, 552 million lbs Molybdenum, 30 million oz Silver, 320,000 oz Gold and 124,362 kg Rhenium, or 5.6 billion lbs Copper Equivalent (*see NI 43-101 technical report "Technical and Resource Estimate for the Tomichi Copper-Molybdenum Project, Gunnison County, Colorado" on Burnstone's Sedar filings July 10, 2013*). Other details on the Tomichi Project are available on Burnstone's website at www.burnstoneventures.com.

Additional Information Regarding the Arrangement

The terms of the Arrangement will be described in further detail in the management information circular of

Abacus to be filed with the regulatory authorities and mailed to the Abacus shareholders. A copy of the Abacus information circular and other materials related to the Arrangement will be available for review as they become available at www.sedar.com under Abacus' profile.

Abacus/Burnstone Loan

Abacus and Burnstone have entered into a loan and security agreement pursuant to which Abacus advanced CAD\$250,000 to Burnstone (the "**Burnstone Loan**"). The Burnstone Loan is secured by a first priority security interest over the Tomichi Project. Interest on the Burnstone Loan accrues at 8% per annum. The Burnstone Loan proceeds are to be used by Burnstone in relation to the Tomichi Project.

Joint Venture Loan

To facilitate the Arrangement, Abacus also signed a loan and security agreement for a term loan facility of CAD\$3 million drawn from the approximate CAD\$16 million of funds held in Abacus' escrow account under the provisions of the 2010 Joint Venture Agreement with respect to the Ajax copper-gold project near Kamloops, B.C. The loan has been fully drawn, bears interest at the rate of 8% per annum and is collateralized by CAD\$3,360,000 of Abacus' escrowed funds.

As a condition of the loan, Abacus has agreed to continue to contribute its 20% share of the 2014 and 2015 programs and budget towards development of the Ajax copper-gold project near Kamloops, B.C. (the "Ajax project"), which will be funded from the balance of the escrowed funds as and when cash calls are made.

Michael McInnis, Abacus' Chairman, President & CEO, stated: "The new agreement achieves a dual purpose that is particularly advantageous for Abacus shareholders. It enables Abacus to borrow funds from the escrow account on favourable terms that would otherwise not be allowable under the terms of the original Joint Venture Agreement, and provides the Company with near term growth opportunity by expanding our mineral asset interests with a highly prospective large copper/moly porphyry deposit in Colorado. We intend to create significant value by making use of this funding to continue with the advancement of the Tomichi project while maintaining our 20% interest in the Ajax project."

On Behalf of the Board, Abacus Mining & Exploration Corporation

Michael McInnis
Chairman, President & CEO

About Abacus

[Abacus](#) is a mineral exploration and mine development company with a 20% interest in the Ajax copper-gold project located at the historic Ajax-Afton site southwest of Kamloops, B.C. Through a joint venture between Abacus and [KGHM Polska Miedz S.A.](#) through KGHM Ajax, the Ajax project is a proposed open-pit mine with an estimated approximate 20-year mine life expected to yield approximately 109 million pounds of copper and 99,000 ounces of gold annually. (see Report titled "Ajax Copper/Gold Project -- Kamloops, British Columbia Feasibility Study Technical Report" by Wardrop (a Tetra Tech Company) dated January 6, 2012 ("FS")).

Neither 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.

Mr. James Chapman, P.Geo, is the Qualified Person responsible for the design of the program with respect to the Tomichi Project, and all exploration work on the Tomichi Project will be done under his supervision. Mr. Chapman has read and approved the technical content of this news release as it relates to the Tomichi Project.

Forward-Looking Statements

This document may contain "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). These forward-looking statements

are made as of the date of this release.

All statements in this release, other than statements of historical facts, that address events or developments that Abacus expects to occur, are forward-looking statements. Such forward-looking statements include, but are not limited to, statements with respect to the timing and implementation of the Arrangement, the integration of Abacus and Burnstone following the Arrangement, estimation of mineral resources, and the success of mining and development operations.

Although Abacus believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Assumptions upon which such forward-looking statements are based include that Abacus and Burnstone will be able to satisfy the conditions in the Letter Agreement and Arrangement Agreement, that the required approvals will be obtained from the shareholders of each of Abacus and Burnstone, that all third party, court, regulatory and governmental approvals to the Arrangement will be obtained, and that all other conditions to completion of the Arrangement will be satisfied or waived. Many of these assumptions are based on factors and events that are not within the control of Abacus or Burnstone and there is no assurance they will prove to be correct.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "potential", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Abacus to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, market prices; exploration and development successes; continued availability of capital and financing; and general economic, market or business conditions. Please see our public filings on SEDAR at www.sedar.com. Although Abacus has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Abacus provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of Abacus' management on the date the statements are made. Except as required by applicable securities laws, Abacus undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change. Accordingly, readers should not place undue reliance on forward-looking statements.

Contact

Abacus Mining & Exploration Corporation

Suite 615-800 West Pender Street
Vancouver, B.C. V6C 2V6 Canada
604.682.0301
604.682.0307
info@amemining.com
www.amemining.com

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/179087--Abacus-Arranges-CAD3-Million-Loan-and-Signs-Agreement-for-the-Acquisition-of-Burnstone-Ventures.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).