

Tembo Gold Announces Transformative Acquisition and Landmark Investment from Tanzanian Strategic Investor

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Vancouver, August 10, 2023 - [Tembo Gold Corp.](#) (TSXV: TEM) ("Tembo", or the "Company") is pleased to announce that it has entered into a Licences Purchase Agreement dated August 9th, 2023 (the "Agreement") with Lake Victoria Gold Ltd. ("LVG"), a private Australian company, pursuant to which the Company will acquire (the "Acquisition"), indirectly through its wholly-owned subsidiary Tembo Gold Tanzania Limited, LVG's Imwelo Gold Project (the "Project") in Tanzania. Tembo has also entered into a binding letter of intent dated August 8th, 2023 for a C\$11,520,000 financing with Taifa Mining and Civils Limited ("Taifa"), a prominent Tanzanian mining contracting firm.

The Project

The Project is a gold project located in northern Tanzania immediately to the west of Geita Gold Mine of AngloGold Ashanti. The Project is held by LVG's Tanzanian subsidiary, Tanzoz Mineral Limited. An updated pre-feasibility study ("PFS") was completed in 2021 by Measured Group Pty Ltd of Australia, incorporating mine design, mine planning, scheduling, reserve estimation and costing. The Project is held under a Tanzanian mining licence ML538/2015 and includes a primary mining licence PML2637, over which LVG has a right to acquire through a purchase agreement. The ML is 3.85km² and the PML is 8.5021ha. The Project is subject to a 2% royalty to a previous owner. The ML is fully permitted for mine construction and production to commence. The Project resource comprises seven mineralized locations that have been drilled and includes 42,000oz Au measured mineral resources at 3.15g/t, 95,700oz Au indicated mineral resources at 1.95g/t and 153,900oz inferred mineral resources at 1.53g/t for a total 291,600oz Au (the "Historical Resource Estimate"). Further information on the Historical Resource Estimate can be found below. The gold occurs as typical quartz vein shear hosted gold deposits suitable for open pit mining. The Project ML provides 'bluesky' potential. Drilling to date has only been down to 80m below surface. A number of areas were not drilled as they were not accessible at the time, and extensions to the known mineralisation remain untested, both along strike and certainly downdip. The Company anticipates it may define a current mineral resource on the Project and, eventually, mineral reserves that will allow expansion of production and extension of the mine life; however, there is no assurance that further exploration will result in the definition of current mineral resources or mineral reserves.

The Historical Resource Estimate is derived from a report entitled "Geology and Resource Estimate Report - Imwelo Project, Tanzania, Lake Victoria Gold Limited" dated May 31, 2017 (the "Report") prepared by Measured Group Pty Ltd. The Historical Resource Estimate presented in the Report was carried out in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 Edition) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. The Report includes the following Historical Resource Estimate:

Historical Mineral Resource Estimate

Classification	Cutoff Grade Au g /tonne	Tonnes	Gold Grade g/tonne	Ounce Gold
Measured	0.50g/t	414,000	3.15	42,000
Indicated	0.50g/t	1,530,300	1.95	95,700
Inferred	0.50g/t	2,781,500	1.56	153,900

(Source: MEASURED GROUP PTY LTD (MG) Geology and Resource Estimate Report - Imwelo Project, Tanzania, Lake Victoria Gold Limited, May 2017)

The above noted Historical Resource Estimate dated 31 May 2017 is the last historical mineral resource

estimate on the Project and no more recent data is available to the Company. The Historical Resource Estimate is based on a detailed review completed by LVG and Measured Group Pty Ltd. of local conditions. It has incorporated LVG's view of long-term metal prices, foreign exchange and cost assumptions, plus mining and metallurgy performance to select cut-off grades and physical mining parameters. The cut-off grade is based on a gold price of US\$1,500 and an 88% metallurgical recovery is assumed in the calculation of the cut-off grade.

A qualified person has not done sufficient work to classify the Historical Resource Estimate as current mineral resources, and the Company is not treating the Historical Resource Estimate as current mineral resources or mineral reserves. The Company believes that the Historical Resource Estimate is relevant to an appraisal of the merits of the Project and forms a reliable basis upon which to develop future exploration programs. The Company will need to conduct further exploration, and there is no guarantee that the results obtained will reflect the historical estimate. In order to verify the Historical Resource Estimate to a current mineral resource estimate, the Company will need to retain a qualified person to verify historical drilling and assaying methods and validate historical results, add any drilling and assaying or other pertinent geological information generated since the last estimation, and complete an updated resource estimate and a new technical report. Significant data compilation, drilling, sampling and data verification may be required by a qualified person before the Historical Resource Estimate can be classified as a current resource. There can be no assurance that any of the historical mineral resources, in whole or in part, will ever become economically viable. In addition, mineral resources are not mineral reserves and do not have demonstrated economic viability. Even if classified as a current mineral resource, there is no certainty as to whether further exploration will result in any inferred mineral resources being upgraded to an indicated or measured mineral resource category.

"Lake Victoria Gold is excited for the opportunity to become part of the Tembo family. The merging of the technical and country knowledge and experience of our respective teams will provide a strong foundation for the development and progress of the Tanzanian Gold Projects," said Seth Dickinson, Managing Director, Lake Victoria Gold.

Terms of the Acquisition

Under the Agreement, Tembo will acquire the Project for consideration of C\$5,500,000, consisting of approximately 23.6 million common shares of Tembo at a deemed value of C\$0.22 per share, plus approximately USD\$221,000 cash.

LVG will be required to hold the Tembo shares received as consideration for the Acquisition in escrow in accordance with the share release conditions outlined below:

- 1/3 of shares released from escrow upon Commercial Production (as defined in the Agreement) being achieved on the Project;
- 1/3 of shares (1/2 of remaining shares) released 6 months after Commercial Production; and
- 1/3 of shares (all remaining shares) released 12 months after Commercial Production.

If Commercial Production is not achieved within 3 years of closing, the escrow shares will be released to LVG. During the escrow period, Tembo (or its nominee) will retain voting rights over the escrowed shares.

Conditions to closing of the Acquisition include:

- satisfactory completion of due diligence by Tembo, acting reasonably;
- Tembo obtaining all necessary shareholder approvals to complete the Acquisition;
- Tembo and LVG obtaining all required regulatory approvals, including in respect of the Fair Competition Act (Tanzania) and the TSX Venture Exchange ("TSXV") to proceed with the Acquisition;
- completion of the initial tranche of the Financings (see below);

- completion of a technical report on the Project and acceptance of the report by the TSXV; and
- other customary conditions precedent for a transaction of this nature.

Following the completion of the Acquisition, a nominee of LVG will be added to Tembo's Board of Directors and Seth Dickinson will be offered the role of Chief Operating Officer of Tembo.

Closing of the Acquisition is expected to be completed by December, 2023.

The Acquisition constitutes a "Fundamental Acquisition" under the policies of the TSXV, and is subject to TSXV acceptance. All Tembo shares issued pursuant to the Acquisition will be subject to a 4 month hold period from the date of issuance under applicable Canadian securities laws. The Acquisition is an arm's length transaction and no finder's fees are payable.

Financings

In conjunction with the Acquisition, Tembo has entered into a binding letter of intent ("LOI") with Taifa for a financing commitment of C\$11,520,000 (48,000,000 shares) (the "Financings"). Taifa, owned by Tanzanian tycoon Rostam Aziz, was founded in 1987 as a civils and earth-moving operation in Mbeya, Tanzania. It has since grown into the largest locally-owned civils and mining contracting business in Tanzania with prominent companies such as Petra, De Beers, Barrick, and AngloGold Ashanti as partners. The agreement with Taifa reinforces Taifa's growing influence in Tanzania's mining sector and provides Tembo with a local partner with extensive mining expertise. Under the terms of the LOI, Taifa's investment will take place in three stages, as follows:

- Prior to completion of the Acquisition, Taifa (or related persons) will initially subscribe for 16 million shares of Tembo at C\$0.22 per share for gross proceeds of C\$3,520,000. On closing of this initial investment, Tembo will enter into a mining services contract with Taifa outlining conditions upon which Taifa will provide mining services work for the Project. Such services will be provided on industry competitive terms. Taifa will obtain the right to nominate one member to the Tembo Board of Directors.
- Upon completion of final engineering and closing of Acquisition, Taifa will have 20 days to complete a second private placement of 16 million units ("Units") at a price of C\$0.24 per Unit (subject to TSXV pricing rules) for gross proceeds of C\$3,840,000. Each Unit will consist of one common share of Tembo and one warrant ("Warrant") exercisable to purchase one additional common share of Tembo for 2 years at a price of C\$0.26 per share. On closing of this investment, Tembo will enter into an additional mining services contract with Taifa pursuant to which Taifa will provide mining services for Tembo's Tembo project. Such services will be provided on industry competitive terms.
- On the date that is six months after Tembo breaks ground on the Project, Taifa will have 20 days to exercise the Warrants which will result in the issuance of an additional 16,000,000 shares of Tembo for gross proceeds to Tembo of C\$4,160,000. On closing of this investment, Tembo will enter into a third mining services contract with Taifa outlining conditions upon which Taifa will provide mining services for the Tembo projects including all future projects. Such services will be provided on industry competitive terms.

"The acquisition of Lake Victoria Gold and the partnership with Taifa Mining strategically positions and transforms Tembo into a vehicle for growth and consolidation in Tanzania. We are excited to see Tembo evolve from a company with one exploration asset to a company with multiple paths of shareholder value creation. We look forward to working with Seth Dickinson from LVG and the Taifa team as we identify and evaluate other accretive opportunities in the country," said David Scott, President & CEO of Tembo.

Tembo intends to use the proceeds from the initial Financing for the Acquisition and development of the Project.

Tembo reserves the right to complete additional financings either before or after completion of the Acquisition or the Financings. Terms of any additional financings will be disclosed by press release.

All securities of Tembo issued pursuant to the Financings will be subject to a 4 month hold period from the date of issuance under applicable Canadian securities laws.

The terms of all financings are subject to TSXV acceptance. The Financings will be arm's length transactions.

Capital Structure

Upon completion of the Acquisition and the Financings, it is expected that Taifa will own approximately 27.1% of Tembo's outstanding shares on a partially diluted basis, and LVG or its shareholders will own approximately 13.3%.

Qualified Person

David Scott, Pr. Sci. Nat., is the Qualified Person responsible for the technical content of this news release. David Scott, Pr. Sci. Nat., has prepared, supervised and approved the scientific and technical disclosure in this news release.

About Tembo

Tembo Gold is a Canadian public company listed on the TSX Venture Exchange ("TSX-V") under the symbol TEM. The Company has a 100% interest in the Tembo Gold Project which has over forty thousand meters of drilling and is located adjacent to Barrick's 20Moz Bulyanhulu Mine in Tanzania's prolific Lake Victoria Goldfield. In April 2022 Tembo completed a transaction with Barrick, whereby Tembo sold six of its non-core licenses to Barrick for \$6mm USD, and Barrick is committed to spending \$9mm USD over the first four years. Additionally, Tembo will receive contingent payments of up-to \$45mm USD on the first five million ounces discovered by Barrick. The company has assembled a highly experienced team with a track record of developing, financing, and operating mining projects in Africa. Tembo is focused on the discovery and development of world-class gold projects in Africa as well as seeking additional opportunities that can bring value to the company and shareholders.

On Behalf of the Board of Directors of Tembo,

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Cautionary Statement Regarding Forward-Looking Information

This news release includes certain "forward-looking information" within the meaning of applicable Canadian securities legislation, including: future exploration plans with respect to the Project, defining current mineral resource and mineral reserves on the Project, the terms of the Acquisition and the Financings, entering into mining services contracts with Taifa, the anticipated share structure of Tembo following the Acquisition and Financings, the use of proceeds for the Financings, the closing of the Acquisition and the Financings, including the satisfaction of the closing conditions thereunder and the expected timing thereof, and receipt of all regulatory approvals, including the approval of the TSXV for the Acquisition and Financings and the Tanzania Fair Competition Commission for the Acquisition and the Company's intention to provide further updates in respect of the Acquisition and the Financings. All statements in this news release that address events or developments that we expect to occur in the future are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made.

Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Tembo's control, including risks associated with or related to: the completion of the Acquisition, the Financings and related transactions, including receipt of all regulatory approvals and third-party consents, the volatility of metal prices and Tembo's common shares; changes in tax laws; the dangers inherent in exploration, development and mining activities; the uncertainty of reserve and resource estimates; not achieving development or production, cost or other estimates; actual exploration or development plans and costs differing materially from the Company's estimates; the ability to obtain and maintain any necessary permits, consents or authorizations required for mining activities; environmental regulations or hazards and compliance with complex regulations associated with mining activities; climate change and climate change regulations; fluctuations in exchange rates; the availability of financing; financing and debt activities; operations in foreign and developing countries and the compliance with foreign laws, including those associated with operations in Tanzania and including risks related to changes in foreign laws and changing policies related to mining and local ownership requirements or resource nationalization generally, including in response to the COVID-19 outbreak; remote operations and the availability of adequate infrastructure; fluctuations in price and availability of energy and other inputs necessary for mining operations; shortages or cost increases in necessary equipment, supplies and labour; regulatory, political and country risks, including local instability or acts of terrorism and the effects thereof; the reliance upon contractors, third parties and joint venture partners; challenges to title or surface rights; the dependence on key personnel and the ability to attract and retain skilled personnel; the risk of an uninsurable or uninsured loss; adverse climate and weather conditions; litigation risk; competition with other mining companies; community support for Tembo's operations, including risks related to strikes and the halting of such operations from time to time; conflicts with small scale miners; failures of information systems or information security threats; the ability to maintain adequate internal controls over financial reporting as required by law; compliance with anti-corruption laws, and sanctions or other similar measures; social media and Tembo's reputation; and other risks disclosed in the Company's public filings.

Tembo's forward-looking statements are based on the opinions and estimates of management and reflect their current expectations regarding future events and operating performance and speak only as of the date hereof. Tembo does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits or liabilities Tembo will derive therefrom. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

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