

Augen Gold's Board Unanimously Recommends Shareholders Reject Trelawney's Unsolicited Offer

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TORONTO, ONTARIO -- (Marketwire - July 27, 2011) - [Augen Gold Corp.](#) ("Augen Gold" or the "Company") (TSX VENTURE: GLD) today announced that its Board of Directors unanimously recommends that shareholders reject the unsolicited offer by [Trelawney Mining and Exploration Inc.](#) ("Trelawney") to acquire the common shares of Augen Gold. The Board determined that the Trelawney offer fails to provide full value for Augen Gold shares and is an attempt by Trelawney to acquire Augen Gold without offering adequate consideration to Augen Gold shareholders. Accordingly, the Board recommends that Augen Gold shareholders reject the Trelawney offer and not tender any of their shares.

Tim Peterson, Chairman of Augen Gold's Board of Directors, stated, "After careful review, the Board has concluded that the Trelawney offer does not adequately reflect the value of Augen Gold's assets, our successful exploration record and our very attractive land position in the South Swayze Greenstone Belt. In addition, Trelawney's bid is subject to numerous conditions and does not comply with Augen Gold's Shareholder Rights Plan."

J. David Mason, Augen Gold's Chief Executive Officer, said, "Augen Gold has a strong exploration track record as evidenced by the recently announced National Instrument 43-101 compliant Inferred resource at the Company's Jerome Mine Project. Trelawney's offer fails to adequately compensate Augen Gold shareholders for the value of the Company's land position, exploration work and National Instrument 43-101 compliant Inferred resource on the Jerome Mine Project."

A copy of the Directors' Circular, which sets forth in greater detail the Board's recommendation and the reasons therefore, is being mailed to all Augen Gold shareholders. These reasons include, but are not limited to, the following:

- The Trelawney offer substantially undervalues Augen Gold.
- The timing of the Trelawney offer is opportunistic.
- The Trelawney offer fails to recognize the strategic value of the Jerome Mine Project and Augen Gold's other properties in the Southern Swayze Greenstone Belt to Trelawney.
- The Trelawney offer is financially inadequate.
- The Trelawney offer is not a cash offer and the consideration offered by Trelawney is volatile and of uncertain value.
- The Trelawney offer does not reflect an adequate premium for control of Augen Gold.
- The Board of Directors is aggressively pursuing value-maximizing alternatives.
- Trelawney has historically valued Augen Gold's Common Shares at a price well above the Trelawney offer.
- Trelawney can pay substantially more.
- Rejection of the Trelawney offer by Augen Gold's directors and officers.
- The Trelawney offer is highly conditional.
- The Trelawney offer is not a Permitted Bid under the Shareholder Rights Plan.

Paradigm Capital Inc. ("Paradigm"), the financial advisors to the Special Committee of independent directors appointed by the Board of Directors (the "Special Committee"), has provided a written opinion to the Special Committee that, as of the date of such opinion, the consideration offered pursuant to the Trelawney offer is inadequate, from a financial point of view, to Augen Gold shareholders, other than Trelawney and its associates, affiliates and joint actors. The full text of Paradigm's opinion, which Augen Gold shareholders are urged to read in its entirety, is included in the Directors' Circular.

Legal counsel to the Special Committee is Fraser Milner Casgrain LLP.

If you have any questions or concerns, please contact Phoenix Advisory Partners, Augen Gold's information agent, at:

North American Toll Free Phone: 1-866-521-4425
Email: inquiries@phoenixadvisorypartners.com
Toll Free Facsimile: 1-877-907-3176
Banks, Brokers and Collect Calls: 1-201-806-2222

About Augen Gold

Augen Gold is a gold exploration company with 23,685 hectares of staked and patented mining claims in the Southern Swayze Greenstone Belt, including the formerly producing Jerome Gold Mine. The claims cover a 45-kilometre long section of the Ridout Deformation Zone, believed to be the western extension of the Kirkland Lake/Larder Lake Break. The geological setting is comparable to the major gold camps of Timmins and Kirkland Lake, and the claims contain numerous gold showings that have received very little historical exploration. Augen Gold is the first company to have assembled such a coherent ground position. Augen Gold has performed a detailed airborne geophysical survey over the whole area. The correlation of many gold showings with geophysical features indicates excellent potential for the discovery of additional deposits. On July 18, 2011 Augen Gold announced an initial National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") compliant Mineral Resource estimate at Augen Gold's Jerome Mine Project outlining a 1.03 million ounce Inferred gold resource (18.7 million tonnes grading 1.7 g/t) at a cutoff grade of 0.3 g/t. The Company's objectives are to aggressively explore the gold showings that correlate with geophysical anomalies, continue resource definition at the Jerome Mine, and to expand its property portfolio with highly prospective mineral assets.

For more information on the Southern Swayze Project, please refer to the Company's NI 43-101 compliant technical report "Amended and Restated Technical Report on the Augen Gold Corp. Claims, Porcupine Mining Division, District of Sudbury, Ontario, Canada" (effective April 8, 2008, available on the Company's profile at www.sedar.com, along with the Company's other continuous disclosure documents).

The information contained in this news release has been approved by Augen Gold's Project Geologist, Gordon McRoberts, P.Geo., who is a Qualified Person as defined in NI 43-101.

For more information on Augen Gold, visit our website at www.augengold.ca.

Follow our blog at www.augengold.wordpress.com, and follow us on [www.twitter.com \(#augengoldcorp\)](http://www.twitter.com/#augengoldcorp).

This news release contains forward-looking statements. These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, results of exploration, project development, reclamation and capital costs of the Company's mineral properties, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as: changes in general economic conditions and conditions in the financial markets; changes in demand and prices for minerals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the activities of the Company; and other matters discussed in this news release. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

Shares outstanding: 127,711,347

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Contact Information

[Augen Gold Corp.](#)

J. David Mason, CEO and Director

416-915-4231

dmason@augengold.ca

Augen Gold Corp.

Robin M. Sundstrom, Strategy and Communications
647-822-8111
robin@augengold.ca
www.augengold.ca

Spyros Karellas
Investor Relations
416-800-8921
spyros@pinnaclecapitalmarkets.ca

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