

First Source Resources Inc. Announces Business Combination With CB Gold Inc.

26.02.2010 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA -- (Marketwire - Feb. 26, 2010) - [First Source Resources Inc.](#) (TSX VENTURE: FSR) ("First Source" or the "Company") is pleased to announce that the Company has entered into a binding letter agreement dated February 26, 2010 (the "Letter Agreement" or the "Agreement") with [CB Gold Inc.](#), a privately-held British Columbia company ("CB Gold"), containing the principal terms of a proposed arm's length business combination between First Source and CB Gold (the "Transaction").

The Transaction will result in CB Gold becoming a publicly listed entity and will position CB Gold for future growth and access to capital markets funding for the further exploration and development of its existing projects. Under the terms of the Transaction, First Source's outstanding common shares will be consolidated on a 3.5 to 1 basis and, subject to any adjustments, shareholders of CB Gold will receive 1.0476 common shares of the Company (post- consolidation) for each one CB Gold common share (the "Exchange Ratio"). As part of the Transaction, following such share exchange, First Source and CB Gold will amalgamate under the name CB Gold Inc. ("New CB Gold").

At the closing of the Transaction, existing CB Gold shareholders and First Source shareholders will own, on a fully diluted basis, approximately 95% and 5% of the outstanding common shares of New CB Gold, respectively. The Transaction will constitute a reverse take-over of First Source by CB Gold within the meaning of the policies of the TSX Venture Exchange (the "TSXV").

The Transaction is based on a value of \$0.55 per common share of CB Gold and the Exchange Ratio implies a per share value of the common shares of First Source of \$0.15 on a pre- consolidation basis. This represents a premium of 114% to the closing price of First Source's shares on the TSXV on February 25, 2010.

CB Gold intends to raise up to \$5,000,000 in a non-brokered private placement at a price of \$0.50 per share which is expected to close on or about March 19, 2010. The Exchange Ratio will be amended to reflect the effect of this financing in the definitive agreement incorporating the terms of the Letter Agreement.

Concurrently with the completion of the Transaction, CB Gold and New CB Gold intend to raise gross proceeds of up to \$35,000,000, the terms of which are to be determined, to finance acquisition costs, exploration and development expenses (including drilling and capital expenditures at CB Gold's producing properties), working capital and corporate expenses, as set out below.

Transaction Details

First Source and CB Gold will negotiate a definitive agreement that incorporates the terms of the Letter Agreement. The Transaction will be structured as a plan of arrangement or such other structure as First Source and CB Gold may agree to, as set out in the definitive agreement. Further details regarding the proposed business combination will be provided in a joint management information circular (the "Circular") which will be mailed to shareholders of First Source and CB Gold in connection with shareholders' meetings of First Source and CB Gold, respectively, to be held to approve the Transaction. The Circular is expected to be mailed to shareholders in April 2010 with shareholders' meetings expected to be scheduled in May 2010. The closing of the Transaction is expected to occur shortly following the meetings and in any event before July 31, 2010. The Circular will contain detailed information in respect of First Source, CB Gold and New CB Gold, including operational, historical and pro-forma financial information, and will be accessible under First Source's SEDAR profile at www.sedar.com shortly following mailing of the Circular to the shareholders of First Source and CB Gold.

The closing of the Transaction, as contemplated by the Agreement, is subject to a number of conditions, including the execution of a definitive agreement, the approval of the shareholders of First Source and CB Gold, the approval of all relevant regulatory authorities, including the TSXV, and the listing of the common shares of New CB Gold on the TSXV. There can be no assurance that the Transaction will be completed as proposed or at all. The Agreement provides for the right of each of First Source and CB Gold to terminate the Agreement and not complete the Transaction in certain circumstances, including in the event the Transaction is not completed by July 31, 2010.

Under the terms of the Agreement, the outstanding common shares of First Source will be consolidated on a 3.5 to 1 basis (or such other ratio as agreed to by CB Gold and First Source) and, subject to any adjustments, shareholders of CB Gold will receive 1.0476 common shares of the Company for each one CB Gold common share. New CB Gold will be headquartered in Vancouver, British Columbia. On a post-Transaction basis and prior to any financings, New CB Gold will have approximately 62,885,630 shares outstanding. On a post-Transaction basis and prior to any financings, existing CB Gold shareholders and First Source shareholders will own, on a fully diluted basis, approximately 95% and 5% of the outstanding common shares of New CB Gold, respectively.

The Agreement provides that the outstanding options and warrants to acquire common shares of CB Gold will be amended so that, after the completion of the Transaction, they will represent options and warrants to purchase common shares of New CB Gold with an exercise price adjusted to reflect the terms of the Transaction.

Management and Directors

At the completion of the Transaction, all of the current directors and officers of First Source will resign and the management and board of directors of New CB Gold will be:

Fabio Capponi – President and Chief Executive Officer and Director

Mr. Capponi has significant experience in Colombia and in the natural resources sector. He was involved in the start-up of a number of mining and oil and gas companies in Colombia as well as in Europe. Prior to his involvement in CB Gold, Mr. Capponi worked in the mergers and acquisitions team at Endeavour Financial Corporation.

Giles Baynham – Chief Financial Officer and Chairman

Mr. Baynham is a mining engineer and former banker with significant experience in the development and financing of mining and oil and gas projects. Having started his career with Rio Tinto Plc, he worked for nearly eight years in London in finance, followed by five years with Endeavour Financial Corporation in Vancouver.

Ana Milena Vasquez – VP Operations

Ms. Vasquez is a qualified accountant and has been directly involved in the start-up of several mining companies in Colombia. A Colombian citizen, Ms. Vasquez also has a deep knowledge and understanding of Colombian business as well as the financial and accounting background to ensure successful operation of CB Gold's Colombian operations. Ms. Vasquez is also a director of CB Gold's subsidiaries which own 100% of the Colombian properties.

Dr. Alberto Rios – Chief Geologist

Dr. Rios has been involved with exploration projects for 14 years, and has worked in prospecting and exploration in Peru, Argentina, Colombia and Ecuador, with ample experience in the exploration of epithermal argentiferous (Au-Ag) systems of high and low sulfidation as well as Cu-Mo porphyry and Skarn-like polymetallic and VMS deposits. Dr. Rios has formerly been Senior Geologist and manager of advanced exploration projects with Rio Tinto Plc, Hochschild Mining Plc and Compania de Minas Buenaventura S.A.A.

Upon the completion of the Transaction, Fabio Capponi and Giles Baynham will each hold more than 20% of the shares of New CB Gold.

Financing Plan

CB Gold and New CB Gold intend to raise gross proceeds of up to \$40,000,000 to finance acquisition costs, exploration and development expenses (including drilling and capital expenditures at CB Gold's producing properties), working capital and corporate expenses as follows:

- prior to the signing of a definitive agreement, CB Gold intends to raise up to \$5,000,000 through a

non-brokered private placement of CB Gold common shares at a price of \$0.50 per share; and

- subsequent to signing a definitive agreement and prior to the completion of the Transaction, First Source and CB Gold intend to raise up to \$35,000,000, the terms of which have not yet been determined, in a brokered private placement offering of subscription receipts, entitling purchasers to receive common shares of New CB Gold upon the completion of the Transaction.

About CB Gold

CB Gold is a privately held gold-focused exploration and development company. CB Gold was incorporated under the British Columbia Business Corporations Act on May 11, 2009 by Mr. Capponi, Mr. Baynham and Ms. Vasquez to acquire and develop mineral projects in the Republic of Colombia. CB Gold has been privately funded to date and through various transactions now holds interests in the following properties:

- **Norte de Santander District** – over 70,000 hectares of exploration concessions distributed over 44 areas which are held directly by CB Gold or in the process of being registered by CB Gold; and

- **Santander District** – mining and exploration properties totaling nearly 900 hectares in an area approximately 10 kilometres south of the prolific California District in Colombia. The properties include eight small producing mines and three former producing and prospective exploration properties. CB gold is in the process of completing the acquisition of these properties.

Scott Wilson Roscoe Postle Associates Inc. is currently preparing a technical report pursuant to National Instrument 43-101 for each of CB Gold's properties.

As of January 31, 2010, CB Gold has \$1,650,000 in cash and cash equivalents.

About First Source

First Source is a mineral exploration company headquartered in Vancouver, British Columbia. The Company currently holds a 100% interest in the Lac des Pics Property in the Province of Quebec. Under the terms of the Agreement, First Source is required to dispose of such property in connection with the completion of the Transaction.

For further information about First Source, please refer to the Company's filings on SEDAR (www.sedar.com) or the Company's website at www.firstsourceresources.com.

Recommendations of the Boards of Directors

The Board of Directors of each of First Source and CB Gold have determined that the Transaction is in the best interests of their respective companies and shareholders and have unanimously determined to recommend approval of the Transaction to their respective shareholders. As provided for in the Agreement, it is expected that shareholders of First Source, including all of the directors and officers and certain other shareholders, holding in the aggregate approximately 58% of the issued and outstanding common shares of the Company, will enter into lock-up agreements with CB Gold pursuant to which they will agree to vote their shares in favour of the Transaction.

Application For Exemption from Sponsorship Requirements

In connection with the proposed Transaction, First Source and CB Gold will make application to the TSXV for exemption from the sponsorship requirements under the policies of the TSXV. There can be no assurance that such exemption will be granted on terms satisfactory to the parties or at all.

Cautionary Note Regarding Forward-Looking Statements

Statements contained in this news release that are not historical fact, such as management's assessment of the future plans and operations of the Company, CB Gold and New CB Gold and completion of the Transaction and all related transactions, are forward-looking information as that term is defined under the provisions of Canadian securities laws ("forward-looking statements"). Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from estimated results. Such risks and uncertainties include, but are not limited to, changes in economic conditions or financial

markets; the ability to raise sufficient capital; uncertainties related to exploration results; changes in industry conditions; changes in prices for mineral products or increase in costs; currency fluctuations; environmental risks; competition from other industry participants; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological or operational difficulties; inability to obtain permits encountered in connection with exploration activities; and labour relations matters. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of First Source and CB Gold could differ materially from those expressed in, or implied by, these forward- looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits New CB Gold will derive therefrom. First Source disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Completion of the Transaction is subject to a number of conditions, including TSXV acceptance and shareholder approvals (including on a disinterested basis to the extent required). The Transaction cannot close until the required shareholder approvals are obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Circular to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of First Source, CB Gold and New CB Gold should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The securities of each of First Source, CB Gold and New CB Gold have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

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Contact Information

First Source Resources Inc.
Peter Smith, President and CEO
604.683.7031
info@firstsourceresources.com
www.firstsourceresources.com

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