

Prophecy Platinum and Ursa Major Minerals Sign Business Combination Agreement

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire) -- 03/02/12 -- [Prophecy Platinum Corp.](#) ('Prophecy' or the 'Company') (TSX VENTURE: NKL)(OTCQX: PNIKF)(FRANKFURT: P94P) and [Ursa Major Minerals Incorporated](#) ('Ursa') (TSX: UMJ) (the 'Companies') are pleased to announce that they have entered into a binding letter of agreement (the 'Agreement') for a business combination through a proposed all share transaction (the 'Transaction'). Prophecy and Ursa act at arm's length and the Transaction has been negotiated at arm's length.

Financial Terms of the Transaction

Pursuant to the Agreement, Prophecy will issue 1 common share in exchange for every 25 outstanding common shares of Ursa. Ursa options and warrants will be exchanged for options and warrants of Prophecy as discussed under the 'Further Detail' Section.

The offer represents approximately \$0.15 per each common share of Ursa based on Prophecy's share price of \$3.70 as at March 1, 2012, representing a premium of 130% to Ursa's closing price as at March 1, 2012 of \$0.065.

Prophecy is to subscribe for \$1 million common shares of Ursa by way of private placement financing at \$0.06 per share, subject to regulatory approval. Upon placement completion, John Lee and Greg Hall, current Prophecy directors, will be appointed to Ursa's board.

Highlights of the Transaction

The new Prophecy will become a mid-tier resource company with a robust and diversified pipeline of platinum nickel projects, including

- Fully permitted open-pit Shakespeare(i) PGM-Ni-Cu mine close to Sudbury infrastructure with near term production capabilities.
- Flagship Wellgreen(ii) (Yukon) PGM-Ni-Cu project with over 10 million oz of Pt-Pd-Au inferred resource. Active drilling is ongoing with pending preliminary economic assessment study.
- Manitoba's Lynn Lake(iii) Ni-Cu project with over 262 million lbs Ni, and 138 million lbs Cu Measured and Indicated.

The transaction provides Ursa shareholders with liquidity, sustaining capital and opportunity to participate in the significant exploration and development upside of Wellgreen and Lynn Lake.

The principal focus of Prophecy in 2012 and beyond is Wellgreen. Upon completion of the Transaction, Prophecy plans to publish a new Shakespeare feasibility and thoroughly examine project economics and metal prices before making a production decision. At the appropriate time, joint venture partners may be sought to develop Wellgreen, Lynn Lake, and Shakespeare.

John Lee, Chairman of Prophecy, comments, 'We believe with this production ready mine, Prophecy would raise its profile, broaden investment appeal, and gain further trading liquidity. Ursa's board recognize the synergy and that this deal is potentially accretive to both Ursa and Prophecy shareholders.'

Richard Sutcliffe, President and CEO of Ursa, comments, 'We are very pleased to have reached this agreement with Prophecy which provides an excellent opportunity to advance the Shakespeare Mine. Our shareholders will to participate in a combined company with an outstanding portfolio of assets and substantially improved market capitalization and liquidity.'

Further Detail Regarding the Transaction

It is contemplated that the Transaction will be completed by way of a Plan of Arrangement, structured in such a way that will result in the financial terms of the Transaction being met. The parties have agreed to complete the Transaction by June 15, 2012.

Richard Sutcliffe, President and CEO of Ursa, will be appointed to the board of directors of Prophecy upon completion of the Transaction.

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As a result of the Transaction, all existing warrants, options and other rights to acquire common shares of Ursa will be exchanged for options and warrants of Prophecy such that each former Ursa option and warrant will be exchanged for a Prophecy option or warrant, respectively, exercisable for that number of Prophecy shares that is equal to the number of Ursa Shares that would otherwise have been issuable thereunder divided by 25 with the exercise price of such Prophecy option or warrant being adjusted to equal the exercise price of the applicable Ursa option or warrant multiplied by 25.

Based on 79.7 million Ursa common shares outstanding, Prophecy is expected to issue 3.19 million shares as part of the Transaction.

The final structure and ratios of the Transaction will be subject to the receipt of final tax, corporate and securities law advice.

Completion of the Transaction is conditional upon:

- Completion of environmental and title due diligence of Ursa by Prophecy;
- Ursa securing support agreements in favour of the Transaction from the holders of a minimum of 20% of its outstanding shares;
- Ursa and Prophecy, if required, shareholders having approved the Transaction;
- Prophecy shareholders or Ursa shareholders not having exercised rights to dissent over more than 10% of the shares of Prophecy or 10% of the shares of Ursa, respectively,
- receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange (the 'Exchange') and the TSX ('TSX');
- receipt of approval of the British Columbia Supreme Court, if applicable;
- execution of a definitive Transaction agreement;
- Ursa terminating certain third party agreements; and
- certain other customary conditions.

The Agreement includes non-solicitation clauses. A break fee of \$1,500,000 is payable to Prophecy should Ursa accept a superior un-solicited offer.

Ursa, and Prophecy, if required, will call a special meeting of shareholders to be held in late May 2012 to approve the Transaction. Ursa expects to mail an information circular providing full details of the Transaction in late April 2012.

Prophecy's Key Assets

(ii) The Wellgreen PGM Ni-Cu Project

The Wellgreen PGM Ni-Cu property covers an area of approximately 22 square miles in the Yukon Territory, Canada. The property has easy road access, located approximately 35 kilometres northwest of Burwash Landing, Yukon, 15 km from the paved 2 lane Alaska Highway and 402 km from Alaska's Haines deep sea port. Wellgreen is part of Kluane Ultramafic Nickel belt, which is second largest behind the Thompson Belt in Canada and remains vastly unexplored. Management is focused on advancing the project, with most recent efforts centering around an underground drilling program initiated in February 2012 that is intended to further define the Wellgreen resource. A more comprehensive surface drilling operation will commence later in the spring. In addition, a scoping study (PEA) by Wardrop Engineering is expected to be completed by Q1 2012.

Prophecy intends to utilize the results of the 2012 drill program to update the current resource estimate. Wellgreen contains an indicated mineral resource of 14 million tonnes at 0.69% nickel, 0.62% copper and 2.25 g/t PGM+Au and 289 million tonnes of inferred resources at 0.28% nickel, 0.35% copper and 1.18 g/t PGM+Au, all estimated at 0.4% NiEq cut-off (Wardrop Technical Report July 2011).

	Tonnes (t)	PGM+Au (g/t)	Ni (%)	Cu (%)
Indicated	14 Million	2.25	0.69	0.62
Inferred	289 Million	1.18	0.38	0.35

Based on resource estimated at 0.4% NiEq cut-off

Metal	Indicated	Inferred
Nickel (Ni)	0.22 Billion lbs.	2.42 Billion lbs.
Copper (Cu)	0.20 Billion lbs.	2.23 Billion lbs.
Cobalt (Co)	15.77 Million lbs.	191.30 Million lbs.
Platinum (Pt)	0.46 Million oz.	4.93 Million oz.
Palladium (Pd)	0.34 Million oz.	3.91 Million oz.
Gold (Au)	0.24 Million oz.	2.14 Million oz.
PGM+Gold	1.04 Million oz.	10.97 Million oz.

Based on resource estimated at 0.4% NiEq cut-off and 100% metals recoveries.

(iii) The Lynn Lake Nickel Project

In October 2009, Prophecy entered into an agreement to acquire a 100% interest in The Lynn Lake Nickel Project from Victory Nickel Inc. (TSX: NI). The deposit is in Manitoba, Canada, which is mining friendly and also adjacent to a power line, rail line, and airport. Lynn Lake contains Measured and indicated mineral resources of 22.9 million tons of grading, of 0.57% nickel and 0.30% copper and 8.1 million tonnes of Inferred Resource at 0.51% Nickel & 0.28% Copper (Wardrop Technical Report April 2011). Prophecy recently completed bulk tonnage metallurgical testing at Lynn Lake in preparation for a feasibility study.

	Tonnes (t)	Ni (%)	Cu (%)
Measured	1.02 Million	0.76	0.36
Indicated	21.88 Million	0.56	0.30
Inferred	8.07 Million	0.51	0.28

Based on resource estimated at 0.4% NiEq cut-off

Metal	Measured (lbs.)	Indicated (lbs.)	Inferred (lbs.)
Nickel (Ni)	16 Million	247 Million	82 Million
Copper (Cu)	7 Million	130 Million	46 Million

Based on resource estimated at 0.4% NiEq cut-off and 100% metals recoveries.

The information concerning the current mineral properties controlled by Prophecy, as described in this news release, has been reviewed and approved by Danniell Oosterman, P.Geol., a Prophecy Geologist and a Qualified Person under National Instrument 43-101.

Ursa's Key Assets

(i) The Shakespeare Mine

The Shakespeare PGM-Ni-Cu Mine is located 70 km west of Sudbury, Ontario. In 2010 and 2011, through contract mining, the Company trucked and delivered a total of over 360,000 tonnes of ore to the Sudbury's Strathcona Mill for processing. Total revenue generated was over \$20,000,000. Ursa believes there is potential to increase throughput and realize cost savings by constructing a mill on site.

The feasibility study by Micon International Limited in January 2006 and subsequently updated in 2008, defined a Probable Reserve of 11,828,000 tonnes grading 0.33% nickel, 0.35% copper, 0.02% cobalt, 0.33

g/t platinum, 0.36 g/t palladium and 0.18 g/t gold. The mineral reserve is to a maximum depth of 250 metres below surface.

	Tonnes (t)	PGM+Au (g/t)	Ni (%)	Cu (%)
Probable	11.8 Million	0.87	0.33	0.35

With a 4,500 tpd Mill on site, the study projects an after tax internal rate of return ('IRR') of 22.6% (29.1% pre-tax IRR) on an initial total capital cost of C\$148,193,000. The undiscounted total annual cash flow ('NPV') is C\$169,581,000 and the NPV discounted at 8% is C\$73,297,000. The project has a 7.2 year mine production life. The economic analysis makes the assumption of the following long term metal prices over the life of the project, expressed in 2007 dollars, nickel US\$9.37/lb, copper US\$2.11/lb, cobalt US\$27.57/lb, platinum US\$995.52/ounce, palladium US\$342.49/ounce, gold US\$563.27/ounce.

Mr. T. Hennessey, P. Geo, of Micon and Mr. E. Puritch P. Eng. of P&E Mining Consultants Inc. were the qualified persons for the Shakespeare reserve estimates and Mr. Ian Ward, P. Eng. of Micon was the qualified person for the Shakespeare feasibility study.

About Prophecy Platinum

Prophecy Platinum Corp. is a Canadian based Nickel PGM exploration company with projects in Canada, Argentina and Uruguay. Prophecy Platinum's flagship Wellgreen PGM-Cu-Ni project is in Yukon Territory, Canada and the Lynn Lake project is located in Manitoba, Canada. Further information can be found at www.prophecyplat.com.

About URSA Major Minerals

Ursa is a Canadian mining company with a nickel mine and two nickel sulphide projects containing significant NI 43-101 compliant nickel and copper reserves and resources. Ursa is focused on expanding operations at the Shakespeare Nickel Mine and growing its nickel, copper and platinum group metal (PGM) deposits through exploration and development, primarily in Ontario, Canada.

ON BEHALF OF THE BOARD OF DIRECTORS of

Prophecy Platinum Corp.
John Lee, Chairman

Ursa Major Minerals Incorporated
Richard Sutcliffe, President and CEO

Cautionary Statements: *Completion of the transaction is subject to a number of conditions, including regulatory approval, shareholder approvals, completion of satisfactory due diligence, a definitive agreement and approval of the British Columbia Supreme Court if applicable. 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 Management Information 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 exploration and development stage resource companies should be considered highly speculative.*

Forward Looking Statements:

This news release includes certain statements that may be deemed 'forward-looking statements'. All statements in this release, other than statements of historical facts, including, without limitation, statements regarding potential mineralization, the estimation of mineral resources, the realization of mineral resource estimates, interpretation of prior exploration and potential exploration results, estimates of production, the timing and success of exploration, development and production activities generally, the timing and results of future resource estimates, permitting time lines, metal prices, availability of capital, government regulation of exploration operations, environmental risks, reclamation, title, and future plans and objectives of the companies are forward-looking statements that involve various risks and uncertainties. . Although Ursa and

Prophecy believe the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements are based on a number of material factors and assumptions. Factors that could cause actual results to differ materially from those in forward-looking statements include unsuccessful exploration results, changes in project parameters as plans continue to be refined, results of future resource estimates, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, uninsured risks, regulatory changes, defects in title, availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, delays in receiving government approvals, unanticipated environmental impacts on operations and costs to remedy same, and other exploration or other risks detailed herein and from time to time in the filings made by the companies with securities regulators. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral exploration and development of mines is an inherently risky business. Accordingly the actual events may differ materially from those projected in the forward-looking statements. For more information on Ursa and Prophecy and the risks and challenges of their businesses, investors should review their annual filings that are available at www.sedar.com.

This press release does not constitute an offer to sell or a solicitation to buy any of the securities in the United States. The securities 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 law and may not be offered or sold in 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 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.'

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