

Marathon Gold Agrees to Acquire Mountain Lake Resources; Consolidates 100% Ownership of the Valentine Lake Project, Newfoundland

24.05.2012 | [CNW](#)

TORONTO, May 24, 2012 - [Marathon Gold Corporation](#) ("Marathon" or the "Company") (TSX: MOZ) and [Mountain Lake Resources Inc.](#) ("Mountain Lake") (TSX-V: MOA) today announced the signing of a binding arrangement agreement (the "Arrangement"), whereby Marathon will acquire all of the outstanding common shares of Mountain Lake. The transaction will consolidate Marathon's and Mountain Lake's respective 50% interests in the Valentine Lake Project in Newfoundland, Canada, resulting in Marathon becoming the 100% owner of the project. Mountain Lake's remaining projects will be transferred to [Mountain Lake Minerals Inc.](#) ("Spinco"), a newly incorporated exploration company.

Under the terms of the Arrangement, Mountain Lake shareholders will receive 0.40 of a Marathon common share (the "Share Consideration") and 0.40 of a common share of Spinco (the "Spinco Consideration") for each Mountain Lake common share held. The Share Consideration for the purchase of 100% of the issued and outstanding shares of Mountain Lake is approximately \$15.1 million, not including the value of Spinco.

Transaction Highlights

- The Share Consideration values Mountain Lake at \$0.30 per share, representing a 20% premium to Mountain Lake's pre-announcement closing price on May 23, 2012 and a 20.6% premium based on the 10-day volume weighted average prices of each company, excluding the value of Spinco
- Consolidates Marathon's ownership of the Valentine Lake Project in Newfoundland, bringing its total Measured and Indicated Resource to 424,000 ounces of gold at 2.05 g/t and total Inferred Resource to 305,000 ounces of gold at 1.65 g/t
- Allows exploration at the Valentine Lake Project to be aggressively pursued under one consolidated owner
- Enhances Marathon's capital markets profile as the 100% owner of its flagship asset
- Allows Mountain Lake shareholders to participate in the upside of a consolidated Valentine Lake Project as well as Marathon's Golden Chest Mine project, while maintaining an equity interest in Spinco's exploration portfolio

"We are very pleased that the arrangement agreement has been signed and look forward to the Mountain Lake shareholders approving the completion of this transaction. With 100% ownership of the Valentine Lake Project and a 50% interest in the Golden Chest Mine, Marathon will now boast 497,500 ounces of gold at a grade of 1.94 g/t in the Measured and Indicated category and 421,650 ounces of gold at a grade of 1.59 g/t in the Inferred category. This strategic acquisition exemplifies Marathon's commitment to building shareholder value by moving the company closer to the million ounce Resource threshold," said Phillip Walford, President and CEO of Marathon Gold.

As part of the Arrangement, Mountain Lake will transfer all of its projects, except for the Valentine Lake Project, to Spinco. Spinco will be led by the existing management team and Board of Directors of Mountain Lake and will focus on developing its promising exploration properties, including the Glover Island, Little River, and Bobby's Pond projects. Pursuant to the Arrangement, (i) Marathon will subscribe for units of Spinco for aggregate consideration of \$300,000 representing approximately 6.2% of the outstanding shares of Spinco, and (ii) the directors and officers of Mountain Lake will collectively subscribe for an additional \$360,000 of units of Spinco representing 7.4% of the outstanding shares of Spinco. At the closing of the Arrangement, it is expected that current Mountain Lake shareholders will hold the remaining 86.4%.

The Arrangement has been approved unanimously by the Board of Directors of both Marathon and Mountain Lake. Directors and officers of Mountain Lake have entered into lock-up agreements with Marathon under which they have agreed to vote their Mountain Lake shares and options in favour of the Arrangement, representing approximately 7.1% of the shares and options entitled to vote at the Mountain Lake special

meeting.

The Board of Directors of Mountain Lake has received a fairness opinion from Stephen Semeniuk that the Share Consideration is fair, from a financial perspective, to the shareholders of Mountain Lake.

The acquisition of Mountain Lake by Marathon is expected to be completed by way of a court approved plan of arrangement in British Columbia. All Mountain Lake stock options outstanding on the effective date of the Arrangement will be cancelled. Mountain Lake warrants will be adjusted on their own terms to entitle their holders to acquire common shares of Marathon and Spinco. The transaction is targeted to close in July 2012.

The completion of the Arrangement will be subject to, among other things, (i) the favourable vote of 66 2/3% of the votes cast by Mountain Lake shareholders and option holders voting as a single class at a special meeting called to approve the transaction which is expected to take place in July 2012, and (ii) the favourable vote of a majority of the votes cast by Marathon shareholders at a special meeting called to approve the issuance of the Marathon shares pursuant to the Arrangement.

In the event that the Arrangement is not completed, there are certain circumstances under which either Marathon or Mountain Lake may be entitled to receive a termination fee from the other party, which can be up to a maximum amount of \$500,000. Mountain Lake has also provided Marathon with certain other customary rights, including a right to match competing offers.

Mountain Lake security holders and Marathon shareholders and all other interested parties are advised to read the materials relating to the proposed Arrangement that will be filed by Mountain Lake and Marathon with securities regulatory authorities in Canada when they become available. Anyone may obtain copies of these documents when available free of charge at the Canadian Securities Administrators' website at www.sedar.com.

This announcement is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell the shares or a solicitation of a proxy.

Marathon's financial advisor is Canaccord Genuity Corp. and its legal advisor is Gowling Lafleur Henderson LLP. Mountain Lake's financial advisor is Stephen Semeniuk and its legal advisor is Salley Bowes Harwardt Law Corp.

Conference Call

Phillip Walford, President and CEO of Marathon Gold will be hosting a conference call on Friday May 25, 2012 at 10 am ET. He will be discussing today's release as well as the Company's plans moving forward and welcomes any questions you may have. To join the conference call, please dial:

Participant Dial-in Information:

Operator Assisted Toll-Free Dial-In Number: (888) 231-8191

Local Dial-In: (647) 427-7450

An audio recording of this conference call will also be available at www.marathon-gold.com.

About Marathon Gold Corporation

[Marathon Gold Corporation](http://www.marathon-gold.com) is a North American gold resource development company, with projects located in the mining friendly province of Newfoundland and Labrador, the prolific Coeur d'Alene Mining District of Idaho and the historic gold rich Greenhorn District of Oregon, USA. Marathon has a project pipeline consisting of early stage exploration to advanced resource development projects. Marathon is continually evaluating new gold resource development projects of merit that are located within the Americas. Marathon's focused and low-cost approach to exploration and resource development has an established record of delivering rapid growth. For more information visit: www.marathon-gold.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Marathon Gold Corporation, certain information contained herein constitutes "forward-looking statements". Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "considers", "intends", "targets", or negative versions thereof and other

similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". We provide forward-looking statements for the purpose of conveying information about our current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. These risks and uncertainties include but are not limited to those identified and reported in Marathon Gold Corporation's public filings, which may be accessed at www.sedar.com. Other than as specifically required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events, results or otherwise.

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Contact

Marathon Gold Corporation
Phillip Walford, President and CEO
Tel: 1-416-987-0711

Jennie Guay, Investor Relations Manager
Tel: 1-416-987-0714
E-mail: jguay@marathon-gold.com

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/126365--Marathon-Gold-Agrees-to-Acquire-Mountain-Lake-Resources-Consolidates-100Prozent-Ownership-of-the-Valentini>

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 -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).