

Mindoro Proposes Major Restructure of Philippines Assets

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- Mindoro to spin-out key gold and copper-gold assets to ASX listed Red Mountain Mining Ltd
- Mindoro close to finalizing strategic partnership to advance Agata Nickel Project to production
- Board and management changes for nickel-cobalt-copper development focused Mindoro

MELBOURNE, AUSTRALIA -- (Marketwire - May 29, 2012) - [Mindoro Resources Ltd.](#) (TSX VENTURE:MIO) (ASX:MDO) (FRANKFURT:OLM) (Mindoro, "the Company") is pleased to announce a proposed major restructure of its Philippines assets. The purpose of the restructure is to spin-out the key gold and copper-gold assets, namely the Batangas gold projects including Archangel and Lobo, and the Tapanan San Francisco (TSF) copper-gold properties near Surigao, into ASX listed Red Mountain Mining Ltd ("Red Mountain"). The parties have signed a non-binding, conditional term sheet in relation to these aspects. The consideration for the sale of the assets is shares in Red Mountain payable to Mindoro in two tranches as follows:

- 100 million initially non-voting shares at nominal A\$0.10 per share on completion of the transaction; and
- 50 million "Performance Shares" at a nominal A\$0.10 per share to convert to non-voting shares based on upgrading the Indicated Resource at Batangas to 600,000 oz of gold and completing a scoping study that demonstrates a viable gold project based on over 50% of the indicated resource within 12 months of completing the transaction, which the parties will use their best endeavors to achieve. The Performance Shares are cancelled after 12 months if the above objectives are not achieved.

Subject to approval from the Australian Securities Exchange, the non-voting shares will carry full economic rights but will not carry any voting rights until such time that the non-voting shares are distributed to Mindoro shareholders. Mindoro intends to distribute these shares to Mindoro shareholders in specie on a pro rata basis within 12 months of completing the transaction or following any escrow period that may be applied by the ASX. The shares issued to Mindoro will be non-voting until the earlier of the distribution to Mindoro shareholders being made or Mindoro having a relevant interest in less than 20% of Red Mountain shares. Until the distribution is made (or for 12 months from completion, whichever is sooner), Red Mountain will require Mindoro approval to undertake various corporate actions including dealing with the gold and copper-gold assets. The Term Sheet contemplates that Red Mountain will become a reporting issuer in the jurisdictions in Canada where the Company has resident shareholders through the filing of a prospectus to qualify the Distribution and allow for the resale of Red Mountain shares received by the Company's shareholders.

Mindoro President and CEO Jon Dugdale said, "the separation of the key gold and copper-gold assets of the company from the advanced Agata nickel project provides the opportunity for optimal value recognition of these assets in today's equity marketplace. This is why the Board and Management of Mindoro supports this proposed spin-out of the Batangas and TSF gold and copper-gold projects into the gold mining and exploration focused Red Mountain. Red Mountain's mining expertise and funding with the Mindoro team's exploration and community engagement track record, is a great combination."

Red Mountain had approximately A\$5 million in working capital at the end of March 2012. Red Mountain's Chairman and acting CEO is Neil Warburton who, until recently (March 2012), was the CEO of leading Australian underground mining contractor, Barminto Limited. Upon completion of the transaction Mindoro President and CEO Jon Dugdale will become an Executive Director of Red Mountain and Mindoro's Vice Chairman Howard Walker will become a non-executive Director of Red Mountain. Red Mountain and Mindoro contemplate that within nine months of completion of the transaction Jon Dugdale will transition to the role of Managing Director of Red Mountain and that Neil Warburton will become a Non-Executive Chairman. It is anticipated that Mindoro will have made the transition to a nickel development company within this nine month period.

As part of the transaction Red Mountain will provide a secured draw-down facility for up to A\$1 million to enable Mindoro to commence drilling, focused on delineating the high-grade "feeder" structures below the

Kay Tanda resource at Archangel, Batangas.

Mindoro and Red Mountain are continuing with a due diligence period and anticipate signing a binding agreement on or before June 15th 2012

The sale of the Batangas and TSF projects to Red Mountain will require approval by Mindoro shareholders. Materials have been dispatched regarding the sale for consideration and vote at the Mindoro Annual General Meeting, to be held June 27th, 2012 in Calgary, Canada, and to be video-linked from Melbourne on June 28th. Red Mountain shareholder approval for the transaction will also be required in addition to various regulatory approvals including by the TSX Venture Exchange.

The Board and management of Mindoro believe that the Company is receiving fair value for the Batangas Gold Project and TSF assets. The consideration being paid in Red Mountain shares offers the following value opportunities for shareholders:

- i. Transaction value of A\$10 million to A\$15 million or C\$0.06 per Mindoro share assuming performance shares are converted to non-voting shares prior to any further equity raising.
- ii. The transaction matches the gold and copper-gold assets with over \$4.2 million in funding with the majority to be focussed on drilling key gold and copper-gold targets, building the gold resource base and completing a scoping study.
- iii. Upon completion of the transaction Mindoro shareholders, either through their holding in Mindoro, or following in specie distribution, and assuming performance shares are converted to non-voting shares, are expected to hold up to 65% of Red Mountain's issued capital. This provides high exposure to gold and copper-gold exploration upside in a gold-focused listed company.
- iv. Red Mountain's board and management have gold mining and project development experience complimentary to the Mindoro team's core skills in exploration and discovery as well as community relations in the Philippines.

Assuming (i) Mindoro and Red Mountain successfully negotiate and sign a binding agreement reflecting the terms and conditions of the transaction as set out in the non-binding term sheet; (ii) the shareholders of both Mindoro and Red Mountain approve such transaction; and (iii) all required regulatory approvals are received, including approval from the TSX Venture Exchange, the completion of the sale, including all conditions precedent, is expected to occur early to mid-August 2012.

Status of the Agata Nickel Project Strategic Partnership

The spin-out of Mindoro's key gold and copper-gold assets will allow the Company to focus on completing the Agata Nickel Project (ANP) strategic partnership to advance the project to development and production in two stages.

The ANP includes a 42Mt @ 1.01% Ni (430,000t Ni)(1) Measured and Indicated Resource and a 35.4Mt @ 1.03% Ni (365,000t Ni)(2) Proved and Probable Reserve. The objective of the Company is to establish a strategic funding partnership to accelerate a two-stage development strategy including stage 1 direct shipping ore (DSO) production and stage 2 hydro-metallurgical processing to definitive feasibility study (DFS).

The Company is in advanced discussions with a group aiming to secure a strategic stake in the ANP through providing funding to establish DSO production and complete pilot testing and a DFS into a hydrometallurgical acid-leach processing operation.

Demand for nickel laterite DSO from the Philippines has been positively impacted since Indonesia has moved to restrict direct shipping of unprocessed nickel laterite ore from 2013. The DSO scoping study will be upgraded to a feasibility study and permitting will be upgraded from the current Environmental Compliance Certificate (ECC) to Declaration of Mining Project Feasibility once strategic partner financing and offtake agreements are finalised.

The Company is working with its financial advisor, Deloitte Corporate Finance Pty Ltd ("Deloitte"), with the objective of reaching preliminary agreement in the near future.

Mindoro's Board and Management Changes

Coinciding with the restructure there will be certain board retirements and executive changes that will affect

the board and management structure of the Company.

President, CEO and Director Jon Dugdale, Chairman A Robson Garden, non-executive directors Doug Frondall and John Tosney as well as Vice Chairman and Director Howard Walker will be seeking reappointment to the Board at the Annual General Meeting on June 27th, 2012.

Tony Climie will not be standing for re-election to the board but will retain the key executive role as Mindoro's Philippines Country Manager, and President of wholly owned Mindoro operating subsidiary MRL Gold Phils. Inc. A Company director since 1994, Tony was CEO during the period when the key discoveries and relationships were established in the Philippines, upon which the Company is now looking to build significant shareholder value. Tony will continue to perform the key on-the-ground role within both sides of the new structure.

Oscar Reyes will not be standing for re-election to the board due to workload commitments with his role as President and CEO of Meralco, the Philippines largest power provider. Oscar will retain the role as Chairman of MRL Gold Phils. Inc.

Chris de Guingand will not be standing for re-election to the board. Chris recently retired as Chairman of nickel production company, Panoramic Resources Ltd. Chris will continue to offer his experience and guidance to the company as a consultant.

Howard Walker will return to being a non-executive Director, retaining the role of Vice Chairman.

(1) Announced 16 September 2011

(2) Announced 2 November 2011 and revised 22 December 2011 in Technical Report for the Agata Nickel Laterite Project (Pre-Feasibility Study), Ausenco.

Vice President, Commercial, and Chief Financial Officer Rob King will resign effective June 30th, 2012 to pursue other business interests in the mining equipment and services industry. Rob's service has been invaluable, particularly during the period leading up to the anticipated transactions described herein. Rob will be available for part time consulting services. Financial Controller, Clayton Northey, will take on the roles of CFO and interim Company Secretary, effective July 1st, 2012. Clayton holds a Bachelor of Commerce degree from the University of Alberta, Canada and joined the Company in 2007 as Accountant. Clayton was promoted to Financial Controller and moved to Melbourne, Australia in September 2011.

On behalf of the Board of Directors

Jon Dugdale
President and CEO

About Red Mountain Mining

Red Mountain Mining is primarily a gold explorer and project acquisition company incorporated in Australia in May 2006 and which listed on the ASX in September 2011. The Company's strategy is to unlock the potential of 'under-developed' gold and polymetallic projects by introducing modern mining methods and improving efficiencies to gain significant production and exploration upside.

Red Mountain's focus since listing has been drill testing certain Chinese gold exploration assets over which it held option agreements. Red Mountain withdrew from the option agreements as announced 24 April 2012 and has no further liability over those projects. The Company recently expanded its search for advanced exploration and mining projects to the greater Asian region following several significant projects coming to its attention.

About Mindoro Resources

[Mindoro](#) is a Tier 1 Issuer trading on the TSX Venture Exchange (MIO), Australian Securities Exchange (MDO) and Frankfurt Stock Exchange (WKN 906167). Mindoro is focused on nickel, gold and copper-gold exploration and development in the Philippines where its 75% interest PFS-stage (Nov 2011) Agata Nickel Project has NI 43-101 Mineral Resources that include Measured and Indicated resource estimates totalling 42.76 million tonnes at 1.01% nickel, for 430,000 tonnes contained nickel, and Inferred resource estimates totalling 2.435 million tonnes at 0.99% nickel (Sep 2011). In addition the Company has NI 43-101 Mineral

Resource estimates on its 100% interest Batangas projects of Indicated Resources 393,000 ounces (Archangel, Indicated 9,879,000t @ 1.1 g/t Au and Lobo, Indicated 270,000t @ 6.49 g/t Au) and Inferred Resources 108,000 ounces (Archangel, Inferred 3,741,000t @ 0.8 g/t Au and Lobo, Inferred 61,000t @ 5.35 g/t Au); a drill-defined copper-gold-sulphur Exploration Target on its 75% interest Pan de Azucar project, Iloilo, as well as 10 key porphyry copper-gold prospects at varying stages of advancement.

The Company's development and production objectives are intended to provide an indication of management's current expectations and are still conceptual in nature. It is uncertain that sufficient resources will be established and if established that these resources will be converted into economically viable mining reserves. Until a feasibility study has been completed, there is no certainty that these objectives will be met. Mindoro's exploration programs are prepared and/or designed and carried out under the supervision of Tony Climie, P.Geo., who is a qualified person as defined by National Instrument 43-101 and is a competent person as defined by the JORC Code, and who has reviewed and verified the pertinent disclosure of exploration related technical information contained in this news release. Boyd Willis, FAusIMM, a qualified person as defined by National Instrument 43-101, has reviewed and verified the disclosure of a development and metallurgical processing nature contained in this news release. The Company's resource estimates were originally prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators that governs how Canadian issuers disclose scientific and technical information about mineral projects. All resource information is also expressed in terms of the JORC Code.

This release may contain forward-looking statements including management's assessments of future plans and operations, and expectations of future production. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to, the risks associated with the mining and exploration industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty with respect to results of exploration, the uncertainty of estimates and projections relating to production and the uncertainty of the availability of capital). The assumptions used in the preparation of such statements, 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 Company does not undertake to update forward-looking statements except where required to do so by law.

Neither 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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