

Buchans announces closing of \$1 million private placement by Minco plc and receipt of \$1 million Woodstock payment

16.05.2012 | [CNW](#)

WINDSOR, NS, May 16, 2012 /[CNW](#)/ - [Buchans Minerals Corporation](#) (TSXV: BMC) ("Buchans Minerals" or the "Company") is pleased to announce that it has closed the \$1 million private placement by [Minco plc](#) ("Minco") and received the \$1 million payment from Minco for an exclusive 6 month option to evaluate the Company's Woodstock manganese project.

The Company has completed a private placement offering ("Offering") of a total of 15,384,615 equity units ("Units") at a price of \$0.065 per Unit to Minco. Each Unit consists of one common share and one-half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one common share for a period of 24 months from the closing date at an exercise price of \$0.10. All of the securities issued in connection with the Offering are subject to a hold period of four months and one day from the date of issue.

Lundberg Option to earn 51% Interest in Buchans Minerals Base Metal Properties:

In addition to the \$1 million private placement by Minco and the \$1 million exclusive Woodstock evaluation option payment, the Minco agreement announced on April 30th, 2012 further provides Minco with the ability to earn a 51% interest in the Company's base metal properties in Newfoundland, Canada by spending \$8 million to advance the Lundberg deposit to final feasibility over 4 years and to further explore the Company's extensive mineral properties in the Buchans camp. These properties are owned by the Company's wholly owned subsidiary, 7980736 Canada Inc., which is the registered owner, legal and beneficial holder of the mining claims known as the Buchans property, inclusive of the Lundberg deposit, and the Tulks North property, inclusive of Daniels Pond deposit, and a 49% interest in the Tulks Hill joint venture with Prominex Resources Inc., all of which are located near Buchans, Newfoundland.

Minco is required to spend \$3.5 million to advance the Lundberg project to the pre-feasibility stage and to further explore the Company's extensive mineral properties in the Buchans camp over a period of two years. Following completion of the pre-feasibility study, Minco will have the option to proceed to complete a final feasibility study by spending a further \$4.5 million over the following two years. Should Minco complete the final feasibility study and spend a total of \$8 million, it will have earned a 51% interest in all of the Company's base metal properties in Newfoundland.

Warren MacLeod, President & CEO of Buchans Minerals stated "Following the closing of the private placement and payment of the Woodstock option payment, Buchans is looking forward to working with Minco to advance development of the Lundberg base metal project, and assist Minco with their evaluation of the Woodstock manganese project.

The Lundberg development team will focus their efforts on achieving milestones for a range of activities to advance the project that will include drilling the Lundberg deposit to upgrade the resource from an NI 43-101 compliant inferred resource to an indicated resource, conducting geotechnical studies for the open pit design, completing an open pit design, advancing the metallurgical test program, initiating environmental studies, evaluating possible satellite deposits and upgrading the economic model.

We look forward to working with Minco as we take concrete steps towards developing a new base metal mine in this historic mining district. We also look forward to introducing Minco to our Woodstock manganese project with the long term view of entering into an agreement to develop the property."

John Kearney, Chairman of Minco stated "We are very enthusiastic about Minco getting involved in a very impressive package of mineral exploration and development assets, with a great address in a historic mining camp, located in the Province of Newfoundland and Labrador, Canada, which is well known to Minco management, and in what is recognized as the most friendly mining country in the world."

About Minco plc:

Minco plc, registered in the Republic of Ireland and listed on the AIM Alternative Investment Market of the London Stock Exchange (MIO) is an exploration and development company, currently engaged in zinc-lead exploration in Ireland and with investments in zinc‐silver projects in Mexico through holding 30 million shares (~29%) in Xtierra Inc. listed on the TSXV under the symbol "XAG". Minco also holds a 2% NSR royalty on the Curraghinalt gold property in Northern Ireland which is being explored by Dalradian Resources Inc. (TSX -"DNA")

Prior to 2011 Minco's principal project was the discovery, exploration and development of the Pallas Green zinc lead project in Ireland, held in joint venture with Xstrata Zinc. In October 2011 Minco sold its joint venture interest in Pallas Green to Xstrata for US\$19.4 million.

Minco continues to explore two other prospecting licenses in Ireland, one located adjacent to the currently operating Lisheen Mine (Vedanta) and the recently producing Galmoy mine (Lundin), and the second held in joint venture with Boliden, adjacent to Boliden's currently producing Tara zinc lead mine.

Subsequent to the Woodstock option payment and private placement to Buchans Minerals, Minco currently holds approximately US\$18 million in cash and is evaluating a number of investment opportunities in the mineral industry in North America and Europe.

For further information of Minco refer to Minco's website at www.mincopl.com

About Buchans Minerals:

Buchans Minerals is an Atlantic Canada based resource company that has three main assets that include its base metal properties near Buchans in Central Newfoundland, its manganese property located near Woodstock in New Brunswick and its 50/50 gold & copper joint venture with Benton Resources on the Long Range property in central Newfoundland.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release, and no securities regulatory authority has either approved or disapproved of the contents of this release.

Forward Looking Statements

Information set forth in this news release may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the potential of the Lundberg project and the Woodstock project, are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume and the additional risks identified the management discussion and analysis section of our interim and most recent annual financial statement or other reports and filings with the TSXV and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and Buchans Minerals undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

For further information:

Buchans Minerals Corporation.
Warren MacLeod, President & CEO

Ph: (902) 472-3520
Windsor, Nova Scotia
www.buchansminerals.com

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/127900--Buchans-announces-closing-of-1-million-private-placement-by-Minco-plc-and-receipt-of-1-million-Woodstock-paym>

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