

Orex and Astral Announce Merger by Way of Plan of Arrangement

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire - Oct. 15, 2012) - [Orex Minerals Inc.](#) (TSX VENTURE:REX) ("Orex") and [Astral Mining Corporation](#) (TSX VENTURE:AA) ("Astral") announce that they have agreed to merge and form a combined gold and silver exploration and development company, which will focus on the advanced-stage Barsele Gold Project in Sweden, the Coneto Silver-Gold project, and the Los Crestones Gold-Silver-Copper Project in Mexico.

The transaction (the "Transaction") will be completed by way of a plan of arrangement, or other business combination, in which Orex will acquire all of the issued and outstanding common shares of Astral. Each Astral shareholder will receive one common share of Orex for every twelve common shares of Astral held. All outstanding Astral options and warrants will be exchanged for options and warrants of Orex in an amount and at exercise prices adjusted in accordance with the same exchange ratio.

Merged Entity Highlights

- Orex's key asset is the advanced-stage Barsele Gold Project located near Storuman, Västerbottens Län, approximately 600 km north of Stockholm, Sweden. Barsele has a NI 43-101 Compliant Resource Estimate (using 0.6 g/t Au cut-off) that has defined: 382,000 oz Au Indicated @ 1.2 g/t Au (9.97 million tonnes grading 1.19 g/t Au) and 648,000 oz Au Inferred @ 1.0 g/t Au (21.04 million tonnes grading 0.96 g/t Au). [Feb. 28, 2011]
- Orex's Coneto Silver-Gold Project is adjacent to the village of Coneto de Comonfort, centrally positioned within the "Mexican Silver Trend", approximately 100 km north of the city of Durango, Mexico. Orex has signed an Association Agreement with Fresnillo PLC to explore the Coneto property with joint management of the presently ongoing Phase-II Diamond Drill program. Fresnillo PLC is Orex's second largest shareholder.
- Astral's key assets are the Los Crestones Project in western Mexico, and the Jumping Josephine Project in southeastern British Columbia.
- The Los Crestones Project is an early stage gold-silver-copper property located in the gold-silver belt of the Sierra Madre Occidental of Sinaloa State, western Mexico. The property totals 4,168 ha and is located approximately 110km from the state capital of Culiacan. The property hosts numerous mineralized showings and small scale workings and is prospective for vein and breccia-hosted low sulphidation epithermal gold and silver. Best drill results to date included 5 m averaging 39 g/t Au, 93 g/t Ag and 2.13% Cu.
- The Jumping Josephine Project is a prospective exploration property with the potential to host an economic gold deposit and warrants further advanced exploration work. It is a large contiguous claim holding which covers 35,735 ha in the West Kootenay region of Southeastern British Columbia. The area is within a mining district boasting historical production in excess of 9 Moz of high-grade gold. The property is well-located close to existing infrastructure and approximately 40km north of Teck-Cominco's smelting operations in Trail. Drilling to date has identified a NI 43-101 Compliant Resource Estimate (using 0.5g/t Au cut-off) that has defined: 34,000 oz Au Indicated (363,000 tonnes grading 2.95 g/t Au) and 30,000 oz Au Inferred (448,000 tonnes grading 2.08 g/t Au) [June 24, 2011]. Astral has a 60% joint venture interest in the Project.

Gary Cope, President & CEO of Orex, comments that: "We're pleased to have reached an agreement regarding Orex's acquisition of Astral, which will provide us with a new gold-silver project in Mexico that we are very interested in exploring. While Los Crestones is an early stage project, our technical team is encouraged by results received to date, and we hope that our considerable exploration expertise in Mexico will help to advance the project. We have the manpower to conduct exploration at Los Crestones. Our partner Fresnillo PLC is the operator of, and currently conducting a drill program on the Coneto project. We

also intend to complete some limited follow-up exploration on Astral's British Columbia projects in the near term so as to better understand them."

Astral's CEO, Manfred Kurschner, states: "Astral's early stage gold and silver projects in Mexico and British Columbia are receiving little attention and funding in the current market conditions. Orex makes an excellent match for Astral, with a strong management and technical team. This merger will provide Astral shareholders the opportunity to participate in a larger, well-capitalized company with a combined portfolio of quality precious metals exploration projects. Orex's management team has an established track record of advancing discoveries - the same team is responsible for the identification of Orko Silver Corp's La Preciosa Deposit in Durango, Mexico."

Terms of Transaction

The Transaction will be effected by a plan of arrangement under the Business Corporations Act (British Columbia). Subject to fulfillment of closing conditions, Orex will acquire from the shareholders of Astral 100% of the outstanding common shares of Astral in exchange for common shares of Orex and Astral will, as a result, become a wholly owned subsidiary of Orex. Each Astral shareholder will receive one common share of Orex for every twelve common shares of Astral held. All outstanding Astral options and warrants will be exchanged for options and warrants of Orex in an amount and at exercise prices adjusted in accordance with the same exchange ratio. On issuance of the Orex options and warrants, the Astral options and warrants will be cancelled.

If the Transaction is completed, Orex will have approximately 46,615,762 common shares issued and outstanding, of which current Orex shareholders will own approximately 95.6% and former Astral shareholders will own approximately 4.4%.

After completion of the Transaction, Orex's executive officers and board of directors will be unchanged. Orex's management team consists of:

Gary Cope, President, CEO and Director

Mr. Cope has more than 33 years' experience as a mining executive. He is also President and CEO of Orko Silver Corp.

Art Freeze, P.Geo., Director

Mr. Freeze is a consulting geologist to Goldcorp Inc. with extensive experience in mining development and evaluating projects for both senior and junior resource companies. He has held consulting and management positions with major and junior companies, including Cominco Ltd., Echo Bay Mines Ltd. and [Pan American Silver Corp.](#)

George Cavey, P.Geo., Director

Mr. Cavey has over 35 years experience as a consulting geologist, through which he has supervised exploration projects throughout North, South and Central America and West Africa. He is the past President of the Canadian Council of Professional Geoscientists, has won numerous awards, and currently serves on the Canadian Securities Administrators Mining Technical Advisory and Monitoring Committee as a representative of small mining companies. Mr. Cavey is also VP, Exploration for Orex and a Director of [Orko Silver Corp.](#)

Ben Whiting, M.Sc., P.Geo., Chief Geologist

Mr. Whiting has over 33 years experience in international exploration and mining and is a Past Adjunct Professor at Queen's University. Mr. Whiting is also the Chief Geologist of Orko Silver Corp.

Subject to closing of the Transaction, certain creditors of Astral have agreed to reduce the amount of debt owed by Astral to such creditors and to accept common shares of Orex in settlement of the debt. This debt will be converted into that number of shares of Orex based on a conversion price equal to the volume weighted average closing price of Orex's common shares as traded on the TSX Venture Exchange (the "Exchange") for the five trading days before the closing of the Transaction (the "VWAP") on the terms and conditions contained in such debt settlement agreements.

Subject to closing of the Transaction, certain holders of convertible notes of Astral have agreed to accept common shares of Orex in settlement of their notes. The principal and unpaid interest outstanding under the convertible notes will be converted into Orex shares based on a conversion price equal to the VWAP. Upon issuance of the Orex shares to these noteholders, their notes and the general security agreements granted by Astral to secure their notes will be cancelled and discharged. One of the note holders is a company wholly owned by Manfred Kurschner, CEO and a director of Astral. Nick DeMare, a director of the Company, is 100% owner of one company and 50% owner of another company that holds convertible notes.

Secured Loan by Orex

Orex has advanced to Astral the sum of \$100,000 by way of a secured loan. Of these funds, \$55,000 has been advanced to fulfill Astral's obligation to make a staged payment to the Mexican owners of the Los Crestones Property pursuant to the option agreement dated January 11, 2011 between Astral and the property owners. The balance of the funds will be used to pay certain creditors of Astral who have agreed to reduce the amount of debt owed provided that Astral pays the debt in cash within the time prescribed by the terms and conditions of the debt settlement agreements. The loan advances from Orex may be increased by the agreement of Orex and Astral to fund working capital and to ensure that Astral pays required ongoing expenses and liabilities. Astral has executed a formal loan agreement, promissory note, and priority agreements in favour of Orex. The initial loan advance and any future loan advance by Orex to Astral has been, and will be, secured by a general security agreement that creates a security interest in all Astral's assets and property in priority to the security interests of the convertible note holders of Astral.

In the event either: (a) the Transaction does not proceed for any reason, other than material breach or default by Orex under one or more of the formal agreements signed or to be signed by the parties, including the formal plan of arrangement agreement (together, the "Formal Agreements") which has not been cured after the time to cure has expired; or (b) there is an event of material breach or default by Astral under one or more of the Formal Agreements, which has not been cured after the time to cure has expired, the loan advances will become due and payable within six months of the date that the Transaction is terminated, or the last date to cure any such uncured breach or default by Astral, whichever is applicable. The loan advances will bear interest from the date of default or termination at a rate of 6% per annum.

Closing Conditions

Completion of the Transaction is conditional upon, among other conditions:

1. Shareholders of Orex and Astral having approved the Transaction at joint meetings expected to be held in January, 2013;
2. Completion of legal and financial due diligence by each of the parties;
3. Execution of a formal plan of arrangement agreement;
4. A fairness opinion to support the exchange ratio of Astral securities for Orex securities in the Transaction, if required;
5. Receipt of all necessary regulatory approvals, including approval of the TSX Venture Exchange; and
6. The absence of a material adverse change in the business, financial condition, assets or operations with respect to each party.

No assurance can be given at this time that the Transaction will be completed, that the conditions to closing will be satisfied, or that the terms of the Transaction will not change materially from those described in this news release.

Orex and Astral will be seeking lock-up agreements to vote their shares in favour of the Transaction from the directors and officers of Orex and Astral, and significant shareholders of Astral. The Transaction is expected to close on or before February 28, 2013.

Art Freeze, P.Geog, a director of Orex, is a Qualified Person as defined in NI 43-101 and takes responsibility for Orex's technical disclosure contained within this news release. Dale Brittliffe, P.Geog, consultant to Astral, is a Qualified Person as defined in NI 43-101 and takes responsibility for Astral's technical disclosure contained within this news release.

About Orex Minerals Inc.

Orex Minerals Inc. (TSX VENTURE:REX) is a Canadian-based junior exploration company with two very distinctive precious metals plays in its portfolio: Barsele Gold Project (Sweden) and Coneto Silver-Gold Project (Durango, Mexico). Please refer to www.orexminerals.com for additional information.

About Astral Mining Corp.

Astral Mining Corporation (TSX VENTURE:AA) is a Canadian company engaged in the exploration and development of precious metal properties in the Americas. By focusing on exploration in mining-friendly districts, the Company minimizes the political and social risks encountered in many other parts of the world. Please refer to www.astralmining.com for additional information.

ON BEHALF OF THE BOARDS

Mr. Gary Cope
President & CEO
Orex Minerals Inc.

Mr. Manfred Kurschner
President & CEO
Astral Mining Corporation

For further information on Astral, please contact Manfred Kurschner, President & CEO, at (604) 569-0800, or via email info@astralmining.com (this e-mail address is being protected from spambots - you need JavaScript enabled to view it), or visit www.astralmining.com.

For further information on Orex, please contact Gary Cope, President & CEO, at (604) 684-4691, or via email info@orexminerals.com, or visit www.orexminerals.com.

Cautionary Note to US Investors: This news release may contain information about adjacent properties on which we have no right to explore or mine. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties.

Forward-Looking Information

This news release contains "forward-looking statements" including but not limited to statements with respect to Orex and Astral's plans, the estimation of mineral reserves and the success of exploration activities. Forward-looking statements, while based on management's best estimates and assumptions, are subject to risks and uncertainties that may cause actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the successful integration of acquisitions; risks related to international operations; risks related to general economic conditions and credit availability, actual results of current exploration activities, fluctuations in foreign currency exchange rates, possible variations in ore reserves or grade; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; changes in national and local government regulation of mining operations, tax rules and regulations; and political and economic developments in countries in which Orex and Astral operate. Although Orex and Astral have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Orex (TSX VENTURE:REX) Shares outstanding 44,562,479

Astral (TSX VENTURE:AA) Shares outstanding 24,935,554

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.

Contact

Orex Minerals Inc.
Gary Cope, President & CEO
(604) 684-4691
info@orexminerals.com
www.orexminerals.com

Astral Mining Corporation
Manfred Kurschner, President & CEO
(604) 569-0800
info@astralmining.com
www.astralmining.com

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