

Batero Announces Private Placement of \$17.8 Million at 46% Premium and Forms Strategic Alliance with Consorcio Minero Horizonte

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire - Nov. 1, 2012) - [Batero Gold Corp.](#) (TSX VENTURE:BAT) (FRANKFURT:68B) ("Batero," or "the Company") is pleased to announce that it has entered into a letter agreement with Consorcio Minero Horizonte S.A. ("Horizonte"), pursuant to which the Company will both enter into a strategic alliance and complete concurrent equity private placement financings with Horizonte. As a result of this agreement, Horizonte, together with its affiliates and shareholders (the "CMH Group"), will acquire ownership of 35% of Batero's issued and outstanding shares (together, the "Transaction"). The equity financings associated with the Transaction, together with a loan of up to \$2,210,150 to be provided by Horizonte to Batero, will raise up to an aggregate \$20,000,000 for the development of the Batero-Quinchia Project. Batero also gains a strategic alliance partner in Horizonte, a privately owned company and the fifth-largest gold producer in Peru. The Transaction is intended to further Batero's efforts in advancing the Batero-Quinchia Project in Colombia towards a production decision.

As part of the Transaction, and concurrent with the execution of the definitive agreement for the strategic alliance, Batero will complete an initial share financing to Horizonte of 8,913,000 common shares at \$0.65 per share, a premium of approximately 46% (to the volume weighted average closing price of Batero's shares of approximately \$0.46 from October 3, 2012 to October 31, 2012), for total consideration of \$5,793,450, subject to the approval of the TSX Venture Exchange ("TSX-V"). Batero will pay finder fees in connection with this initial financing, subject to compliance with the policies of the TSX-V. Upon completion of this initial financing, the CMH Group will own 19.99% of Batero's issued and outstanding shares (assuming exercise of all convertible securities held by Horizonte).

Concurrent with the initial share financing and execution of the definitive agreement governing the strategic alliance, Batero will complete a subsequent financing to Horizonte, subject to the approval of the TSX-V and Batero shareholders, of 18,456,000 subscription receipts at \$0.65 per subscription receipt, a premium of approximately 46% (to the volume weighted average closing price of Batero's shares of approximately \$0.46 from October 3, 2012 to October 31, 2012), for total additional consideration of \$11,996,400, such that after conversion of the subscription receipts, the CMH Group will own 35% of Batero's issued and outstanding shares (and approximately 39.4%, assuming exercise of all convertible securities then held by the CMH Group). Each subscription receipt will automatically convert into one unit on satisfaction of certain conditions, including, among others, receipt of the required shareholder and TSX-V approvals for the subsequent financing and issuance of the underlying securities upon conversion of the subscription receipts. Each unit issuable upon conversion of a subscription receipt will comprise one common share and the relevant fraction of one whole common share purchase warrant (such that the subscription receipts will convert into an aggregate 18,456,000 common shares and 5,000,000 warrants). Each warrant will be exercisable for a period of three years following the issuance date at a price of \$0.90. Until conversion of the subscription receipts, the full subscription price therefor will be held in escrow by a third party escrow agent and may be returned to Horizonte under certain circumstances, including the failure to obtain the requisite Batero shareholder approval.

The strategic alliance will give Batero access to Horizonte's operational expertise, accelerating the process of bringing the Batero-Quinchia Project to production. Two nominees of Horizonte will join Batero's board of directors subject to the satisfaction of certain conditions, with one of these individuals selected specifically based on technical acumen. Horizonte will also supply Batero with any required technical personnel.

Batero's management believes that both the strategic alliance and associated financings will create several benefits for the Company's existing shareholders. These include:

- The financings will generate sufficient cash to fund development of the Batero-Quinchia Project through to the completion of a technical study compliant with Colombian legislation for production.
- The benefit of Horizonte's operational expertise reduces development risk.

- The financings will be transacted at a premium to Batero's volume weighted average price, minimizing dilution for the Company's current shareholders.
- Batero will maintain 100%, royalty-free ownership of the Batero-Quinchia Project.

Brandon Rook, President and CEO of Batero, stated, "Batero is pleased to have gained a partner of Horizonte's stature. Horizonte's expertise will serve as an invaluable asset as we focus upon moving the La Cumbre deposit through to a production decision. In addition to its more than three decades of mining experience, Horizonte possesses exceptionally high technological, safety, and environmental standards. These standards will assist Batero in prioritizing both responsibility and sustainability across our operations."

Felix Navarro, Horizonte's Managing Director, stated, "Horizonte is pleased to have the opportunity to work alongside Batero in Colombia. Since Batero commenced exploration on the Batero-Quinchia Project in 2010, the Company has quickly outlined a large mineral resource and focused its attention on the promising opportunity at La Cumbre. We believe the addition of our insight and experience will assist in establishing the La Cumbre deposit as a successful gold mining operation."

Additional terms of the strategic alliance include the following:

- Horizonte will have a pre-emptive right to maintain its percentage interest in any future financings as long as the CMH Group holds beneficial ownership of 10% or more of Batero's outstanding shares.
- Horizonte will be Batero's preferred partner for any future joint ventures in respect of the Batero-Quinchia Project.
- Horizonte will have right of first refusal in respect of any sale of all or any part of the Batero-Quinchia Project.
- Horizonte will be entitled to representation on Batero's board of directors in accordance with the terms of the letter agreement.
- The strategic alliance will be subject to an area of interest clause restricting Horizonte's other activities within 10 km of the Batero-Quinchia Project.
- Batero is entitled to nominate a buyer if Horizonte proposes to sell a portion of its position that represents at least 5% of Batero's outstanding shares, if such sale is not through the facilities of a stock exchange.
- Horizonte will vote its shares in accordance with the recommendations of Batero's management in connection with the election of directors for a period of three years.
- The CMH Group is subject to a standstill with Batero, with its combined shareholdings limited to no more than 45% on an undiluted basis, until the earlier of the commencement of commercial production and three years from closing of the initial financing, subject to certain exceptions.

Mr. Rook concluded, "We believe that Horizonte's investment and the creation of this strategic alliance lends tremendous credibility to the Batero-Quinchia Project, and further increases its potential to become a producing asset."

About Batero Gold

[Batero Gold Corp.](#) is a Vancouver-based precious and base metals exploration and development company focused on its 100% owned Batero-Quinchia project in the Quinchia district of Colombia's emerging Mid-Cauca porphyry gold and copper belt. The Company is evaluating the most efficient mine scenario at the La Cumbre deposit, one of three porphyry deposits at the Batero-Quinchia Project. Batero plans to leverage its strong management team, regional relationships, and strategic partnership, to develop its prospective project into Colombia next major mining venture.

About CMH Group

The CMH Group is a group of private companies dedicated to exploration, exploitation and the metallurgy of gold. The CMH Group owns the Parcoy Mine in the Pataz Batholith in northern Peru; the Untuca mine in the South, and also controls over 150,000 hectares of mining prospects in Peru and elsewhere in South America. The group has produced 200,000 ounces of gold in 2012, for an accumulated gold production to

date of 2.1 million ounces. With this agreement, the CMH Group consolidates its position in Colombia, a country with important gold mining opportunities.

ON BEHALF OF THE BOARD OF BATERO GOLD CORP.

Brandon Rook, President & CEO
Batero Gold Corp.

FORWARD-LOOKING STATEMENTS:

Certain of the statements and information in this press release constitute "forward-looking statements" or "forward-looking information." Any statements or information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "believes", "plans", "estimates", "intends", "targets", "goals", "forecasts", "objectives", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements or information. Forward looking statements or information related to, among other things the proposed terms of the Transaction, including the proposed strategic alliance, equity financings and the loan, the proposed terms of the securities issuable in connection therewith, and the expected effect and benefits that the Transaction and the strategic alliance will have on Batero's operations and the exploration and development of the Batero-Quinchia Project.

Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, the need for additional capital by the Company through financings in order to continue its operations and the planned exploration and development of the Batero-Quinchia Project, and the risk that such funds may not be raised; the ability for the Company and Horizonte to successfully negotiate the applicable definitive agreements and complete the Transaction, as described; the ability for the Company to obtain the requisite regulatory and shareholder approval for the Transaction; the speculative nature of exploration and the stages of the Batero-Quinchia Project; the effect of changes in commodity prices; regulatory risks that development of the Batero-Quinchia Project will not be acceptable for social, environmental or other reasons and the efforts and abilities of the senior management team. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this press release, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management's assumptions, beliefs, expectations or opinions should change, or changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking statements and information.

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