

Oracle Mining Closes Investment Agreement and Enters Into Offtake Agreement

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MF2 Makes Equity Investment of \$8.3 Million
MF2 Acquires 3% Net Smelter Royalty for US\$10 Million
MF2 Agrees to Purchase 100% of the Mineral Offtake From Oracle Ridge

VANCOUVER, BRITISH COLUMBIA -- (Marketwire - Nov. 21, 2012) - [Oracle Mining Corp.](#) (TSX:OMN) (OTCQX:OMCCF) (FRANKFURT:OMC) ("Oracle Mining" or the "Corporation") is pleased to announce that it has completed a private placement (the "Private Placement") of 9.8 million units of the Corporation (the "Units") with MF2 Investment Company 1 LP ("MF2"), an affiliate of RK Mine Finance (Master) Fund II LP ("RKMF"). Each Unit consists of one common share of the Corporation (each, a "Common Share") and one-half one common share purchase warrant (each whole warrant, a "Warrant") at a subscription price of \$0.85 per Unit. Each Warrant entitles MF2 to acquire a Common Share at a price of \$1.02 per Common Share for a period of 36 months from the date of issue.

In connection with the Private Placement, the Corporation, Oracle Ridge Mining, LLC, a wholly-owned subsidiary of the Corporation, and MF2 amended the previously announced investment agreement among the parties dated November 2, 2012 (the "Investment Agreement"). Pursuant to the amended Investment Agreement, MF2 purchased the Units pursuant to the Private Placement rather than as the lead order under the Corporation's offering by way of short form prospectus (the "Prospectus") dated November 9, 2012 (the "Prospectus Offering").

As a result of the Private Placement, MF2 has become an insider of the Corporation, owning approximately 19.99% of the issued and outstanding Common Shares. Based on the issued and outstanding Common Shares prior to giving effect to the Private Placement: (i) the 9.8 million Common Shares acquired by MF2 represented approximately 24.9% of the Common Shares; (ii) the 4.9 million Warrants, on exercise, represented approximately 12.5% of the Common Shares; and (iii) on a post exercise basis, MF2's ownership would increase to 14.7 million Common Shares (the "Maximum Issuable Securities"), which would have represented approximately 38% of the Common Shares previously outstanding.

The Toronto Stock Exchange (the "TSX") has conditionally approved the Private Placement, and the Corporation expects to receive final acceptance from the TSX upon satisfaction of customary post-closing filing requirements. Pursuant to Section 604(d) of the TSX Company Manual, the Corporation obtained written evidence from holders of more than 50% of the Common Shares that they are in favour of the Private Placement because: (i) the Private Placement may result in the issuance of an excess of 25% of the issued and outstanding Common Shares prior to giving effect to the Private Placement, and (ii) the Maximum Issuable Securities represent approximately 27% of the currently issued and outstanding Common Shares on a partially-diluted basis on completion of the Private Placement, which, in accordance with the rules and policies of the TSX, could materially affect control of the Corporation.

In accordance with the terms of the Investment Agreement, MF2 has also purchased a 3% Net Smelter Returns Royalty (the "NSR") on the future sale of any metals and minerals derived from the Oracle Ridge Copper Mine in Arizona, USA, for a gross purchase price of US\$10 million. These proceeds are being held in escrow pending the registration of certain documentation in connection with the NSR. In addition, Oracle Ridge and MF2 entered into an offtake agreement which provides that MF2 will purchase 100% of the Oracle Ridge Copper Mine's future annual copper concentrate production for the life of the mine. The price payable for the material is to be based on prices set by the London Metal Exchange as published by the London Metal Bulletin.

Pursuant to the terms of the Investment Agreement, the Corporation appointed Mr. Douglas Silver to the Oracle Mining board of directors as MF2's nominee.

"RKMF is a top-tier mining finance house and we are pleased to have RKMF's support as an investor and concentrate buyer but also as a partner as we advance the Oracle Ridge Copper Mine," said Mr. Paul England, Oracle Mining's Chairman. "Oracle Mining appreciates the great efforts that have gone in to

completing our transactions with RKMf and gives a warm welcome to Mr. Douglas Silver as he joins the Oracle Mining board."

Oracle Mining shall use the net proceeds from the Private Placement and the sale of the NSR towards the continued development of its Oracle Ridge Copper Mine and for related working capital requirements.

All securities distributed pursuant to the Private Placement will be subject to a hold period of four months following closing in accordance with applicable Canadian securities laws and such other further restrictions as may apply under foreign securities laws. In accordance with the rules and policies of the TSX, the Warrants are not exercisable until five business days after the date of this news release.

In accordance with the terms of the Corporation's rights plan, the board has suspended the application thereof with respect to the Private Placement.

The Company also announced that it intends to proceed with the Prospectus Offering depending upon market conditions. The Prospectus Offering is currently expected to close on or about November 30, 2012.

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About Oracle Mining Corp.

[Oracle Mining Corp.](#) (TSX:OMN) (OTCQX:OMCCF) (FRANKFURT:OMC) is a Vancouver, Canada-based corporation that is the sole owner and operator of Oracle Ridge Mining LLC and the Oracle Ridge Copper Mine located 24 km northeast of Tucson, Arizona. Oracle Mining is managed by an experienced team of mining professionals with extensive operating and financial experience.

Forward-looking Statement Disclaimer

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this document and Oracle Mining Corp. (hereinafter referred to as the "Corporation") does not intend, and does not assume any obligation, to update these forward-looking statements. Forward-looking statements relate to future events or future performance and reflect management of the Corporation's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the expected completion of the Prospectus Offering; the intended use of proceeds from the Private Placement; the exercise of Warrants by MF2 and the purchase by MF2 of the Oracle Ridge Copper Mine's future annual copper concentrate. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the Corporation's ability to obtain final exchange approval of the Private Placement or the transactions contemplated with MF2; risks related to the completion of the Prospectus Offering in the expected time frame or at all, including the exercise by the Agents of their termination rights under the agency agreement; risks related to changes in the market; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Corporation's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR at www.sedar.com. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking 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.

Contact

Oracle Mining Corp.
Mr. Carlos Escribano, CFO
604-689-9282 or Toll Free: 1-855-689-9282

Oracle Mining Corp.
Mr. Jason Mercier, VP Corporate Secretary
604-689-9261
info@oracleminingcorp.com
www.oracleminingcorp.com

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