

Touchstone Gold Receives Conditional Approval to List on Toronto Stock Exchange

30.11.2012 | [Marketwired](#)

TORONTO, 11/30/12 - Touchstone Gold Limited ("Touchstone" or the "Company") (AIM: TGL) is pleased to announce that the Toronto Stock Exchange has conditionally approved the listing of the Company's common shares. Listing is subject to Touchstone fulfilling all of the requirements of the Toronto Stock Exchange on or before January 21, 2013. Once the listing conditions have been satisfied and its common shares are listed, Touchstone will be quoted on both the AIM market of the London Stock Exchange (AIM: TGL) and the Toronto Stock Exchange (TSX: TCH).

In compliance with its reporting issuer obligations in Canada, Touchstone also announces that it has filed interim financial statements and management discussion and analysis for the three and nine months ended September 30, 2012, which are available on the Company's website at www.touchstonegold.com and under Touchstone's profile on SEDAR at www.sedar.com

About Touchstone

Touchstone is a gold exploration company and its primary assets, which collectively comprise its Segovia Gold Project, are the Rio Pescado, El Cinco, San Miguel, and Frontino Norte properties along the Segovia-Remedios Gold Belt in Colombia. Rio Pescado is comprised of four mining concessions, the El Cinco property is comprised of one mining concession, the San Miguel property is comprised of one mining concession and one proposed mining concession, and the Frontino Norte property is comprised of five mining concessions. Touchstone owns further options on the Santa Rosa Project, in the South Bolivar area of Colombia, comprised of four proposed mining concessions and one mining concession. With a philosophy of creating value by the systematic exploration and development of Touchstone's existing assets as well as the acquisition of suitable exploration and development mineral projects, Touchstone's long-term intention is to build a significant gold exploration and production company.

Touchstone Gold Limited

Unaudited Interim Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2012 and 2011

Management's Comments on Unaudited Interim Financial Statements

The accompanying unaudited interim condensed consolidated financial statements of Touchstone Gold Limited for the three and nine months ended September 30, 2012 have been prepared by management and approved by the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditors.

MANAGEMENT'S RESPONSIBILITY

FOR CONSOLIDATED FINANCIAL STATEMENTS

All of the information in the accompanying unaudited interim condensed consolidated financial statements of Touchstone Gold Limited is the responsibility of management. The unaudited interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards. Where necessary, management has made judgments and estimates in preparing the consolidated financial statements, and such statements have been prepared within acceptable limits of materiality.

Management maintains appropriate systems of internal control given its size to give reasonable assurance that its assets are safeguarded, and the financial records are properly maintained.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial

reporting and internal control and exercises this responsibility principally through the Audit Committee. The Audit Committee meets with management to review the unaudited interim condensed consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the consolidated financial statements.

David Wiley, Chief Executive Officer
 Brian
 Morales, Chief Financial Officer

Toronto, Canada

November 29, 2012

Touchstone Gold Limited
 UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 (Expressed in U.S. Dollars)

ASSETS	Note	September 30, 2012	December 31, 2011
Current assets		(unaudited)	
Cash and cash equivalents	7	\$2,363,851	\$9,704,345
Accounts receivable	7	122,836	42,699
Prepaid expenses and other current assets		4,985	-
Total current assets		2,491,672	9,747,044
Property, plant and equipment, net	4	592,286	469,339
Mineral interests	3	13,495,230	
		\$16,579,188	\$10,216,383
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade accounts payable	7	\$1,864,919	\$905,511
Taxes payable		53,483	60,222
Accrued and other liabilities	7	162,952	46,389
Total current liabilities		2,081,354	1,012,122
Fair value of warrant liability		28,363	-
Total Liabilities		2,109,717	1,012,122
Shareholders' equity			
Share capital	6	\$28,778,654	\$17,371,890
Stock option reserve	6	4,052,107	2,493,474
Warrant reserve	6	161,920	161,920
Accumulated deficit		(18,461,208)	(10,755,828)
Accumulated other comprehensive loss		(62,002)	(67,195)
		14,469,471	9,204,261
		\$16,579,188	\$10,216,383
Subsequent events	3,6		

See accompanying notes to the unaudited interim condensed consolidated financial statements

Signed on behalf of the Board of
Directors:

Fraser Buchan (signed), Director

David Wiley (signed), Director

TOUCHSTONE GOLD LIMITED
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)

	Note	Three months ended September 30, 2012	Nine months ended September 30, 2011	Three months ended September 30, 2012	Nine months ended September 30, 2011
Costs and expenses					
Exploration expenditures		\$ (808,586)	\$ (1,110,031)	\$ (3,778,532)	\$ (2,400,015)
Share-based payment expense	6	(923,443)	(329,439)	(1,558,633)	(2,153,561)
Depreciation		(81,781)	(49,109)	(89,754)	(70,176)
Professional and consulting fees	5	(352,106)	(512,377)	(1,715,326)	(1,506,932)
Travel		(25,322)	(26,015)	(119,148)	(159,536)
Office and sundry expenses		(23,314)	(21,381)	(74,478)	(39,496)
Salaries	5	(82,955)	(54,376)	(234,150)	(113,147)
Other operating costs		(74,254)	(31,012)	(189,224)	(206,672)
		(2,371,761)	(2,133,740)	(7,759,245)	(6,649,535)
Other income (expense)					
Financial and other income		(941)	2,814	26,997	3,273
Bank fees, commissions and financial fees		(7,742)	(6,202)	(26,076)	(17,297)
Foreign exchange gain (loss)	7	47,306	(291,367)	52,944	(523,893)
		38,623	(294,755)	53,865	(537,917)
Loss before income taxes		(2,333,138)	(2,428,495)	(7,705,380)	(7,187,452)
Net loss		\$ (2,333,138)	\$ (2,428,495)	\$ (7,705,380)	\$ (7,187,452)
Net loss per share - basic and diluted	8	\$ (0.02)	\$ (0.02)	\$ (0.07)	\$ (0.09)
Weighted average number of common shares outstanding -					

basic
and diluted 8 116,553,335 103,703,705 112,332,654 82,268,350

See accompanying notes to the unaudited interim condensed consolidated financial statements

TOUCHSTONE GOLD LIMITED
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in U.S. Dollars)

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Net loss	\$ (2,333,138)	\$ (2,428,495)	\$ (7,705,380)	\$ (7,187,452)
Currency translation adjustments	(10,140)	(55,450)	5,193	(51,943)
Comprehensive loss	\$ (2,343,278)	\$ (2,483,945)	\$ (7,700,187)	\$ (7,239,395)

See accompanying notes to the unaudited interim condensed consolidated financial statements

TOUCHSTONE GOLD LIMITED
UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Expressed in U.S. Dollars)

Common shares					
	Note	Number of Shares	Dollars	Share premium reserve	Stock option reserve
December 31, 2010		124,919	\$104	\$3,000,001	\$-
Capital re-organisation	6	66,541,748	3,000,001	(3,000,001)	-
Issuance of common shares		37,037,038	14,371,785	-	-
Share-based compensation expense		-	-	-	2,153,561
Comprehensive income		-	-	-	-
Net loss		-	-	-	-
September 30, 2011		103,703,705	17,371,890	-	2,153,561
Share-based compensation expense		-	-	-	339,913
Foreign currency translation		-	-	-	-
Net income		-	-	-	-
December 31, 2011		103,703,705	17,371,890	-	2,493,474
Common shares issued in respect of acquisitions	3	59,108,300	11,406,764	-	-
Share-based compensation expense	6	-	-	-	1,558,633
Foreign currency					

translation		-	-	-	-
Net loss		-	-	-	-

September 30, 2012		162,812,005	\$28,778,654	\$-	\$ 4,052,107

				Accumulated other comprehensive loss	
	Note	Warrant reserve	Deficit		Total

December 31, 2010		\$-	\$ (927,079)	\$ (19,342)	\$2,053,684
Capital re- organisation	6	-	-	-	-
Issuance of common shares		161,920	-	-	14,533,705
Share-based compensation expense		-	-	-	2,153,561
Comprehensive income		-	-	(51,943)	(51,943)
Net loss		-	(7,187,452)	-	(7,187,452)

September 30, 2011		161,920	(8,114,531)	(71,285)	11,501,555
Share-based compensation expense		-	-	-	339,913
Foreign currency translation		-	-	4,090	4,090
Net income		-	(2,641,297)	-	(2,641,297)

December 31, 2011		161,920	(10,755,828)	(67,195)	9,204,261
Common shares issued in respect of acquisitions	3	-	-	-	11,406,764
Share-based compensation expense	6	-	-	-	1,558,633
Foreign currency translation		-	-	5,193	5,193
Net loss		-	(7,705,380)	-	(7,705,380)

September 30, 2012		\$ 161,920	\$(18,461,208)	\$ (62,002)	\$ 14,469,471

See accompanying notes to the unaudited interim condensed consolidated financial statements

TOUCHSTONE GOLD LIMITED
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)

	Note	Three months ended September 30, 2012	September 30, 2011	Nine months ended September 30, 2012	September 30, 2011

Cash flow from operating activities					

Net loss		\$ (2,333,138)	\$ (2,428,495)	\$ (7,705,380)	\$ (7,187,452)
Non-cash items:					
Share-based payment expense	5	923,443	329,439	1,558,633	2,153,561
Depreciation		74,854	49,109	82,827	70,176
Foreign exchange loss		(47,306)	291,367	(52,944)	523,893
Change in fair value of warrants		(7,363)	-	(7,363)	-
Adjustments to reconcile net income (loss) to net cash used in operating activities					
Changes in non-cash operating assets and liabilities					
Accounts receivable		3,451	(59,324)	(32,645)	(77,020)
Prepaid expenses and other current assets		2,412	2,500	(5,007)	7,226
Trade accounts payable and accrued liabilities		143,859	(310,465)	(129,847)	601,216
Net cash used in operating activities		(1,239,788)	(2,125,869)	(6,291,726)	(3,908,400)
Cash flow from investing activities					
Purchases of property and equipment		-	(148,368)	(75,736)	(459,922)
Asset acquisitions, net of cash acquired	3	(775,449)	-	(999,452)	-
Net cash used in investing activities		(775,449)	(148,368)	(1,075,188)	(459,922)
Cash flow from financing activities					
Issuance of equity, net of transaction costs		-	-	-	14,533,705
Net cash					

provided by financing activities	-	-	-	14,533,705

Effect of exchange rate changes on cash not held in U.S. dollars	37,045	(314,080)	26,420	(557,194)
Net (decrease) increase in Cash and Cash Equivalents	(1,978,192)	(2,588,317)	(7,340,494)	9,608,189
Cash and Cash Equivalents, beginning of period	4,342,043	14,193,591	9,704,345	1,997,085

Cash and Cash Equivalents, end of period	\$ 2,363,851	\$ 11,605,274	\$ 2,363,851	\$ 11,605,274

See accompanying notes to the unaudited interim condensed consolidated financial statements

TOUCHSTONE GOLD LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended 30 September 2012 and 2011
(Presented in U.S. dollars except per share amounts)

NOTE 1 - NATURE OF OPERATIONS

Touchstone Gold Limited ("Touchstone Gold") and its wholly-owned subsidiaries, Touchstone Gold Holdings S.A. and Touchstone Colombia (collectively "the Company") is an exploration stage company engaged in the exploration and development of gold properties in Colombia.

Touchstone Gold was incorporated under the laws of the British Virgin Islands on 29 June 2009 and existed under the provisions of British Virgin Islands Companies Act, 2004, as Company number 1536599. On 7 September 2012, after the approval of a resolution by the Company's shareholders, the Company was redomiciled via a continuance of the Company from the British Virgin Islands to the province of Ontario, Canada, where a majority of the Board of Directors and the Company's officers are located. The registered head office of the Company is #200-83 Yonge Street, Toronto, Ontario Canada.

As a result of the acquisition further described in note 3, the wholly-owned subsidiaries controlled by the Company are as follows:

	Jurisdiction

Touchstone Atlantis Mining Inc.	Canada
Touchstone Gold Holdings S.A.	Panama
Touchstone Colombia (foreign branch)	Colombia
Placencia Corp.	Panama
Saint Miguel Mining S.A.S	Colombia
Concesiones United Gold S.A.S	Colombia

On June 7, 2011, the Company's directors and shareholders approved a share re-organisation as a result, all per share amounts have been restated to reflect the share re-organisation.

On June 7, 2011, the Company completed a placing of new Ordinary Shares at a price of 27 pence per Ordinary Share, raising a total of approximately GBP 10,000,000 (U.S. \$16,442,000). Additionally, 586,106 broker warrants were issued as part of the Placing.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that assets will be realized and liabilities will be settled in the normal course of business as they become due. Additionally, the consolidated financial statements have been prepared using the historical cost basis except for certain financial instruments, which are measured in accordance with the policies described below. The financial year-end for Touchstone Gold is December 31.

Statement of Compliance: These interim condensed consolidated financial statements are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2011.

The accounting policies applied in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended 31 December 2011, except as described in note 2.

The preparation of the unaudited interim condensed consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions about uncertain future events that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

The Company's interim results are not necessarily indicative of results for a full year.

The unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended 30 September 2012 and 2011, have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on 29 November 2012.

NOTE 2 - ACCOUNTING CHANGES AND RECENT ACCOUNTING PRONOUNCEMENTS

On 1 January, 2012, the Company adopted the amendments required by IFRS 7 "Financial instruments - Disclosures" ("IFRS 7"). The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The adoption of IFRS 7 did not have an impact on the Company's unaudited interim condensed consolidated financial statements.

Accounting pronouncements for the years beginning on 1 January 2013 and later are included in the Company's financial statements for the years ended 31 December 2011 and 2010.

NOTE 3 -ACQUISITIONS**Atlantis**

On 10 September 2012, the Company completed the acquisition of all of the issued and outstanding common shares of [Atlantis Gold Mines Corp.](#) ("Atlantis"). Atlantis was the owner of certain gold exploration projects, located in Colombia.

The acquisition was completed pursuant to a three-cornered amalgamation, whereby a wholly-owned subsidiary of the Company amalgamated with Atlantis to form Touchstone Atlantis Mining Inc. All of the holders of Atlantis Shares received one common share of the Company for each Atlantis Share held. The Company issued a total of 59,108,300 shares in respect of the acquisition. Additionally, the Company assumed 6,975,000 Atlantis warrants outstanding. The warrants are exercisable for one common share of the Company at an exercise price of C\$0.60 and expire on 15 November 2013.

The transaction resulted in the creation of a Colombian focused gold exploration company with an enlarged land package in a region with a history of high-grade gold discoveries and production.

The Atlantis portfolio encompasses a similar geological setting to Touchstone's Rio Pescado project and has shown numerous large gold anomalies with promising initial results. Previous exploration has identified several prospective targets for gold mineralization, an important addition to the existing exploration programme and upside potential, which Touchstone intends to explore further in the months ahead.

The cost of the acquisition is noted in the table below.

Consideration

Common shares issued	\$ 11,406,764
Payables funded	691,626
Transaction costs	1,130,000
Total consideration	\$ 13,228,390

Net assets acquired

Cash and cash equivalents	\$ 4,637
Other current assets	44,425
Equipment	94,711
Mineral interests	13,495,230
Accounts payable	(374,887)
Fair value of warrants assumed	(35,726)
Total consideration	\$ 13,228,390

Bolivar

On 5 March 2012, the Company entered into an option agreement with a private company to acquire a 90%

interest in four mining concessions, over a total area of 57 square kilometres that together comprise the important Santa Rosa Project located in the well-known gold mining district in the south of the Bolivar Department, Colombia.

The material terms of the Agreement are summarised below:

- Initial payment of US\$59,000 to the current concession holders, a non-related private company, upon signing the option agreement;
- An additional payment of US\$50,000 upon the mining concessions being registered to Touchstone Colombia on the National Mining Registry of Colombia;
- Four annual payments of US\$327,750 that will commence one year after the mining concessions have been registered;
- US\$1,000,000 in exploration expenditures on the property before earning the 90% interest;
- The Company has secured a right of first refusal to acquire the remaining 10% of the Santa Rosa Project.

El Cinco

Subsequent to 30 September 2012, on 5 November 2012, the Company completed the acquisition of a 60% interest in the El Cinco property, through a wholly-owned subsidiary of the Company, which took effect on 2 November 2012, through the issue of 4,089,762 shares and an issue of a short-term convertible unsecured promissory note to the vendor for C\$250,000.

NOTE 4 -PROPERTY, PLANT AND EQUIPMENT, NET

Cost	Machinery and equipment	Office equipment	Computer and communication equipment	Fleet and transportation equipment	Total
Balance at December 31, 2010	\$26,518	\$ -	\$22,259	\$60,722	\$109,499
Additions	81,458	84,517	53,833	280,472	500,280
Foreign exchange and other	(4,001)	(3,909)	(2,686)	(13,508)	(24,104)
Balance at December 31, 2011	\$103,975	\$80,608	\$73,406	\$327,686	\$585,675
Additions	3,261	28,667	43,230	578	75,736
Acquisition	6,140	4,454	17,545	66,572	94,711
Foreign exchange	7,803	9,196	6,056	24,650	47,705
Balance at September 30, 2012	\$121,179	\$122,925	\$140,237	\$419,486	\$803,827
Accumulated depreciation					
Balance at December 31, 2010	\$ (1,316)	\$ -	\$ (3,685)	\$ (5,914)	\$ (10,915)
Depreciation	(12,216)	(23,816)	(26,863)	(47,739)	(110,634)
Foreign exchange and other	576	1,101	1,275	2,261	5,213
Balance at December 31, 2011	\$ (12,956)	\$ (22,715)	\$ (29,273)	\$ (51,392)	\$ (116,336)
Depreciation	(8,261)	(12,668)	(12,460)	(56,365)	(89,754)
Foreign exchange	(938)	(1,653)	(2,147)	(713)	(5,451)
Balance at September 30, 2012	\$ (22,155)	\$ (37,036)	\$ (43,880)	\$ (108,470)	\$ (211,541)
Plant, and equipment, net					
December 31, 2011	\$91,019	\$57,893	\$44,133	\$276,294	\$469,339
Balance at September 30, 2012	\$99,024	\$85,889	\$96,357	\$311,016	\$592,286

NOTE 5 - RELATED PARTY TRANSACTIONS**Compensation of Directors and management**

For the three and nine months ended 30 September 2012, and 2011 the Company paid \$63,366 and

\$191,221, respectively, in salaries and consulting costs to the Chief Executive Officer and Chief Financial Officer of the Company. For the three and nine months ended 30 September 2011, the Company paid \$54,376 and \$113,147, respectively.

For the three and nine months ended 30 September 2012, the Company incurred \$226,633 and \$1,092,277, respectively in geologic consulting costs to a Company owned by and controlled by an officer of the Company. For the three and nine months ended 30 September 2011, the Company incurred, \$375,279 and \$1,006,427, respectively. These transactions were in the normal course of operations and all transactions are measured at the exchange amount, which is the amount agreed to by the related parties and is recorded in professional and consulting fees.

For the three and nine months ended 30 September 2011, the Company paid \$nil and \$54,028, respectively in consulting fees to the former Chief Executive Officer of the Company.

For the three and nine months ended 30 September 2012, the Company paid \$34,688 and \$82,728, respectively in fees to a Director of the Company. The Company paid \$28,121 for the three and nine months ended 30 September 2011.

A total of \$542,776 and \$1,027,097 in share-based payment expense was recognized in respect of options granted to Officers, Directors and employees of the Company for the three and nine months ended 30 September 2012, respectively. A total of \$251,766 and \$323,118 was recognized for the three and nine months ended 30 September 2011, respectively.

Commitments

In 2009, the Company entered into a contract with an employee of the Company for the purchase of a mining interest payable over a five year period as of the date of the registration of the mining interest on behalf of the Company. The total payable under the contract is \$587,500.

Under the contract, the Company reserves the right to continue the agreement based on the results obtained from exploration, economical assessment and construction. At any time while the contract is in force the agreement may be terminated by the Company with no further payments required.

NOTE 6 - SHARE CAPITAL AND CAPITAL MANAGEMENT, STOCK OPTIONS AND SHARE-BASED PAYMENTS

Share capital

The Company is authorized to issue an unlimited number of shares with no par value.

In June 2011, the shareholders of the Company passed a written resolution to approving the following:

- consolidation of all of the issued and outstanding Ordinary shares of the Company on the basis of one post consolidation share for each 40 pre-consolidation shares. The result of the resolution was that the issued and outstanding shares was reduced from 124,919 to 3,123;
- immediately following the consolidation, reclassification of the 3,123 ordinary shares into 2,630 A shares and 493 B shares;
- immediately following the share consolidation and reclassification, the issue of 13,307 bonus A shares for each existing A share held and 64,218 bonus B shares for each existing B share, the result of which was that the aggregate number of shares issued and outstanding was then 66,666,667;
- immediately following the bonus issue, the reclassification of both the A shares and B shares into 66,666,667 Ordinary Shares; and
- cancellation of the warrants issued in October 2010.

As a result of the resolution described above, the share reserve premium made of \$2,109,324 on the shares issued in October 2011 and \$890,677 allocated to the warrants issued in October 2011 was reclassified to

share capital.

In October 2010, the Company issued 19,724 warrants which had a term of one year, exercisable into one common share of the Company at an exercise price of \$190.13. In valuing the warrants the Company used an interest rate of 0.21%, a volatility of 95% and a dividend yield of nil. As noted above, these warrants were cancelled in June 2011.

The following tables denote the movement in share capital and warrants to 30 September 2012.

	Common shares		
	Shares	Share capital	Share premium reserve
31 December 2010	124,919	\$104	\$ 2,109,324
Share re-organisation	66,541,748	3,000,001	(2,109,324)
Issuance of common shares	37,037,038	14,371,785	-
December 31, 2011	103,703,705	\$17,371,890	\$ -
Issued in respect of the acquisition of Atlantis	59,108,300	11,406,764	
September 30, 2012	162,812,005	\$28,778,654	

	Warrants	
	Warrants	Warrant reserve
31 December 2010	19,724	890,677
Share re-organisation	(19,724)	(890,677)
Issuance of warrants	586,106	161,920
December 31, 2011	586,106	\$ 161,920
Assumed as part of the acquisition of Atlantis	6,975,000	-
September 30, 2012	7,561,106	\$161,920

The warrants assumed as part of the acquisition of Atlantis are denominated in Canadian dollars. As the Company's functional currency is the US dollar, the fair value of the warrants is reflected as a derivative liability in the statement of financial position. The warrants were valued using a Black-Scholes valuation with a risk free interest rate of 0.5% an expected life of 1.2 years, a share price of 12.05p and a volatility of 65%. Changes in the fair value of the warrants are reflected in the statement of operations.

Stock options

A total of nil and 20,000 options were granted during the three and nine months ended 30 September 2012. The options have an expiry of June 2021, vest over a period ended June 2014 and have an exercise price of GBP 0.27.

During the three months and nine months ended 30 September 2012, a total of 7,404,023 were cancelled. As a result, the associated expense with the options that had not been previously recognized was recognized in the statement of operations during the three and nine months ended 30 September 2012.

As at 30 September 2012, the following options were outstanding.

Number of Options	Exercise Price	Expiration Date
5,380,020	GBP 0.27	June 2014
5,380,020		

The remaining 5,380,020 options were cancelled subsequent to 30 September 2012.

Prior to the cancellation, during the three and nine months ended 30 September 2011, the Company issued 3,175,000 and 6,841,666 options.

Capital management

The Company includes equity, comprised of issued Ordinary Shares, options and warrants and deficit, in the definition of capital. The Company's primary objectives when managing capital are to safeguard the Company's ability to fund the exploration and development of its gold properties in Colombia.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size and stage of the Company is reasonable. The Company is not subject to other externally imposed capital requirements.

NOTE 7 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

The Company has exposure to liquidity risk and foreign currency risk. The Company's risk management objective is to protect cash flow and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Company's risks and the related exposure are consistent with the business objectives and risk tolerance.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity by ensuring that there is sufficient capital to meet short and long-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash, cash equivalents, and short-term investments. The Company also strives to maintain sufficient financial liquidity at all times in order to participate in investment opportunities as they arise, as well as to withstand sudden adverse changes in economic circumstances.

Management forecasts cash flows for its current and subsequent fiscal years to predict future financing requirements. Future requirements may be met through a combination of credit and access to capital markets. At 30 September 2012, the Company had \$2,363,851 (December 31, 2011 - \$9,704,345) in cash and cash equivalents

Currency risk: The Company's expenditures are incurred in Colombian peso, British pounds, U.S. dollars and Canadian dollars. The results of the Company's operations are subject to currency transaction risk. As the Company's reporting currency is the U.S. dollar, fluctuations in the Colombian peso, British pound and Canadian dollar relative to the U.S. dollar will affect the results of the Company. A 10% change in foreign exchange rates would have an impact of approximately \$67,500.

Credit risk: Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at September 30, 2012 the Company's credit risk is primarily attributable to cash. At September 30, 2012, the majority of the Company's cash was held with a reputable bank with a Standard and Poor's investment rating of AA-.

Interest rate risk: Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's most significant interest rate risk arises from its investments in cash equivalents. However, the maturity on these investments is less than ninety days, thereby mitigating the exposure to the impact of changing interest rates.

Fair Values: The Company's cash and cash equivalents, receivables and payables all had fair values which approximate their carrying values and are considered Level 2 in the fair value hierarchy.

NOTE 8 - LOSS PER SHARE

The following table details the weighted average number of outstanding common shares for the purposes of computing basic and diluted loss per common share for the three and nine months ended 30 September 2012 and 2011.

As noted previously, as a result of the share re-organisation, the Company has re-stated basic and diluted shares outstanding.

	For the three months ended September 30,		For the nine months ended September 30,	
	2011	2010	2012	2011
Weighted average shares outstanding - basic	116,553,335	103,703,705	112,332,654	82,268,350
Dilutive effect of share options and warrants	-	-	-	-
Weighted average shares outstanding - diluted	116,553,335	103,703,705	112,332,654	82,268,350
Net loss	\$ (2,333,138)	\$ (2,428,495)	\$ (7,705,380)	\$ (7,187,452)
Net loss per share - basic	\$ (0.02)	\$ (0.02)	\$ (0.07)	\$ (0.09)
Net loss per share - diluted	\$ (0.02)	\$ (0.02)	\$ (0.07)	\$ (0.09)

As a result of the losses for the three and nine months ended 30 September 2012 and 2011, there is no dilutive effect of options and warrants.

NOTE 9 - SEGMENT INFORMATION

The Company primarily operates in one reportable operating segment, being the development of mineral properties in Colombia. The Company also has an administrative office in Toronto, Canada. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure. Segmented information on a geographic basis is as follows:

	As at September 30 2012	As at December 31, 2011
Total assets		
Colombia	\$14,290,811	\$635,227
Corporate	2,288,377	9,581,156
Total	\$16,579,188	\$10,216,383

	For the three months ended September 30,		For the nine months ended September 30,	
Net loss	2012	2011	2012	2011
Colombia	\$ (882,305)	\$ (851,376)	\$ (3,115,993)	\$ (2,341,155)
Corporate	(1,450,833)	(1,577,119)	(4,589,387)	(4,846,297)
Total	\$ (2,333,138)	\$ (2,428,495)	\$ (7,705,380)	\$ (7,187,452)

NOTE 10 - COMMITMENTS AND CONTINGENT LIABILITIES

In 2009, the Company entered into a contract with an employee of the Company for the purchase of a mining interest payable over a five year period as of the date of the registration of the mining interest on behalf of the Company. The total payable under the contract is \$587,500.

In 2009, the Company entered into a contract for the purchase of a mining interest payable over a five year period as of the date of the registration of the mining interest on behalf of the Company. The total payable under the contract is \$2,000,000.

Under the contract, the Company reserves the right to continue the agreement based on the results obtained from exploration, economical assessment and construction. At any time while the contract is in force the agreement may be terminated by the Company with no further payments required.

Contacts:

Touchstone Gold
David Wiley, Chief Executive Officer
+1 647 260 1247

Canaccord Genuity Limited (Joint Broker
and Nominated Adviser)

Andrew Chubb
+44 20 7523 8350

Canaccord Genuity Limited (Joint Broker and Nominated Adviser)

Adam Miller
+44 20 7523 8350

Northland Capital Partners Limited (Joint Corporate Broker)

Gavin Burnell
+44 20 7796 8800

Northland Capital Partners Limited (Joint Corporate Broker)

Edward Hutton

+44 20 7796 8800

Northland Capital Partners Limited (Joint Corporate Broker)

John-Henry Wicks

+44 20 7796 8800

College Group

David Simonson

+44 20 7457 2020

College Group

Anca Spiridon

+44 20 7457 2020

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/138582--Touchstone-Gold-Receives-Conditional-Approval-to-List-on-Toronto-Stock-Exchange.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).