Northern Gold Mining Inc. to Acquire Victory Gold Mines Inc.

12.12.2012 | Marketwired

TORONTO, December 12, 2012 - Northern Gold Mining Inc. (TSX VENTURE:NGM) ("Northern Gold" or the "Company") and Victory Gold Mines Inc. (CNSX:VGO) ("Victory Gold") are pleased to announce that on December 12, 2012, Northern Gold, Victory Gold and a wholly-owned subsidiary of Northern Gold ("Subco") entered into an amalgamation agreement (the "Amalgamation Agreement") whereby Northern Gold will acquire all of the issued and outstanding shares of Victory Gold, an arm's length party (the "Transaction").

Pursuant to the Amalgamation Agreement, Northern Gold, Subco and Victory Gold have agreed to complete the Transaction pursuant to which, among other things, Subco and Victory Gold will amalgamate pursuant to the provisions of the Business Corporations Act (Ontario) to form a wholly-owned subsidiary of Northern Gold ("Amalco"), and each Victory Gold shareholder (other than a Victory Gold shareholder who exercises dissent rights) will be entitled to receive one (1) common share of Northern Gold (a "Northern Share") for every two (2) common shares of Victory Gold (each a "Victory Share") held by such Victory Gold shareholder. As a result, 20,371,549 Northern Shares will be issued to former Victory Gold shareholders, on a non-diluted basis, at a deemed price of $0.37 per share to acquire a 100% interest in Victory Gold.

Upon completion of the Transaction, each holder of the outstanding 1,533,915 common share purchase warrants (the "Victory Warrants") of Victory Gold will receive one-half the number of replacement common share purchase warrants of Northern Gold, having the same terms as the Victory Warrants, as applicable, but shall be exercisable at a price equal to double the exercise price of the Victory Warrant being exchanged. Further, certain consultants of Victory Gold that hold an aggregate of 400,000 stock options (the "Victory Options") and that will remain with Northern Gold upon completion of the Transaction, will receive one-half the number of replacement stock options of Northern Gold, having the same terms as the Victory Options, as applicable, but shall be exercisable at a price equal to double the exercise price of the Victory Options being exchanged.

In addition, the holder of a CDN$250,000 convertible promissory note, plus accrued interest, of Victory Gold (the "Victory Note") shall be converted into Victory Shares, at a conversion price of $0.20 per share.

In connection with the completion of the Transaction, Johnny Oliveira, the current Chief Financial Officer of Victory will be appointed Chief Financial Officer of Northern Gold to replace Mr. Eric Szustak who has resigned as Chief Financial Officer of Northern Gold effective as at the date hereof. Northern Gold would like to thank Mr. Szustak for his contributions to the Company and wish him success in his future endeavours.

Completion of the Transaction will be subject to certain standard conditions including, without limitation: (a) receipt of all necessary consents, waivers, permits, exemptions, orders and approvals, including the approval of the TSX Venture Exchange (the "TSXV") for the issuance of the Northern Shares pursuant to the Transaction; and (b) receipt of shareholder approval by Victory Gold shareholders to the Transaction. The Transaction will not be subject to the approval of the shareholders of Northern Gold.

About Northern Gold

Northern Gold Mining Inc. is a TSXV listed, publicly traded junior resource company based in Toronto, Ontario, dedicated to the discovery and development of high value mineral deposits in the proven mining camps of Kirkland Lake and Timmins in north eastern Ontario. Northern Gold is focused on outlining two gold deposits at an advanced stage of exploration on its 100% owned Garrison Gold Property. The Company has recently acquired the Buffonta Property just 4 km southwest. In addition to the Jonpol and Garrcon gold deposits, the Garrison Property hosts several other gold mineralized showings, including the less advanced 903 gold mineralized area. Northern Gold has historical mining infrastructure at both the Jonpol and Garrcon Deposits, is commencing exploration of the Buffonta Property, and continues to expand its land holdings in the region.

About Victory Gold

Victory Gold Mines Inc. is a publicly traded junior resource company based in Toronto, Ontario that is

exploring and expanding a former producing gold deposit situated between two producing gold mines in the Timmins Gold District.

Completion of the Transaction is subject to a number of conditions including but not limited to TSXV acceptance and if applicable pursuant to the TSXV requirements, receipt of approval by Victory Gold shareholders to the Transaction. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

Cautionary Statements Regarding Forward-Looking Information

This press release contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified by the use of forward-looking terminology 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 state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Northern Gold or Victory Gold to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) the possibility that the Transaction would not be completed; (ii) volatile stock price; (iii) the general global markets and economic conditions; (iv) the possibility of write-downs and impairments; (v) the risk associated with exploration, development and operations of mineral deposits; (vi) the risk associated with establishing title to mineral properties and assets; (vii) the risks associated with entering into joint ventures; (viii) fluctuations in commodity prices; (ix) the risks associated with uninsurable risks arising during the course of exploration, development and production; (x) competition faced by the resulting issuer in securing experienced personnel and financing; (xi) access to adequate infrastructure to support mining, processing, development and exploration activities; (xii) the risks associated with changes in the mining regulatory regime governing the resulting issuer; (xiii) the risks associated with the various environmental regulations the resulting issuer is subject to; (xiv) risks related to regulatory and permitting delays; (xv) risks related to potential conflicts of interest; (xvi) the reliance on key personnel; (xvii) liquidity risks; (xviii) the risk of potential dilution through the issue of resulting issuer common shares; (xix) the resulting issuer does not anticipate declaring dividends in the near term; (xx) the risk of litigation; and (xxi) risk management.

Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, completion of the Transaction, continued exploration activities, no material adverse change in metal prices, exploration and development plans proceeding in accordance with plans and such plans achieving their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although Northern Gold and Victory Gold have attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding Northern Gold and Victory Gold's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this press release, and Northern Gold and Victory Gold do not undertake to update such forward-looking information except in accordance with applicable securities laws.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release and has in no way passed upon the merits of the Transaction and has neither approved nor disapproved of the contents of this press release.

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Dieser Artikel stammt von Rohstoff-Welt.de
Die URL für diesen Artikel lautet:
https://www.rohstoff-welt.de/news/139372--Northern-Gold-Mining-Inc.-to-Acquire-Victory-Gold-Mines-Inc.html

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