

Foundation Resources and Sheltered Oak Execute Amalgamation Agreement

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Vancouver B.C., January 15, 2013: [Foundation Resources Inc.](#) (TSX-V: FDN; "Foundation") and [Sheltered Oak Resources Corp.](#) (TSX-V: OAK) ("Oak") (collectively the "Companies") and their respective Board of Directors (the "Boards") are pleased to announce they have signed a definitive agreement (the "Amalgamation Agreement") in connection with the business combination (the "Transaction") announced in their joint news release dated November 14, 2012. Foundation has agreed to issue to Oak shareholders one (1) common share in Foundation (the "Foundation Shares") for every six (6) common shares of Oak held.

The Transaction

The Transaction will be effected by way of a three cornered amalgamation under the Business Corporations Act (British Columbia), whereby Oak will amalgamate with a wholly owned British Columbia subsidiary of Foundation and all of the security holders of Oak will exchange their Oak securities for securities of Foundation (the "Securities Exchange").

The Securities Exchange will be conducted such that each Oak shareholder will receive one (1) Foundation Share for every six (6) common shares of Oak held. Holders of options of Oak will receive replacement options in Foundation such that each former Oak option will be exchanged for a Foundation replacement option, exercisable for that number of Foundation shares that is equal to the number of Oak shares that would otherwise have been issuable thereunder divided by six with the exercise price of such Foundation replacement option being adjusted to equal the exercise price of the applicable Oak option multiplied by six, and expiring 90 days from the effective date of the Transaction.

Robert Hanson and J.J. Elkin, both current directors of Oak, will join the board of Foundation upon the completion of the Transaction.

The Amalgamation Agreement is subject to certain conditions precedent and provides for, among other things, customary board support and non-solicitation covenants from each party, subject to "fiduciary out" provisions that entitle Oak to consider and accept a superior proposal and a 10 day "right to match" in favour of Foundation.

The board of directors of Oak has unanimously determined that the proposed transaction is in the best interests of Oak, is fair to the shareholders of Oak, and recommends that shareholders of Oak vote in favour of the proposed transaction.

Copies of the Amalgamation Agreement between Foundation and Oak will be filed with Canadian securities regulators and will be available on SEDAR at www.sedar.com.

Required Approvals

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 Foundation Shares pursuant to the Transaction; and (b) receipt of shareholder approval by Oak shareholders to the Transaction. The Transaction will not be subject to the approval of the shareholders of Foundation.

About Foundation Resources Inc.

[Foundation Resources](#) is a mineral exploration company focused on the exploration and development of its flagship Coldstream Gold Project located in the Shebandowan Greenstone Belt, 115 Km North West of Thunder Bay, Ontario. The Company's NI 43-101 resource estimate reported December 16, 2011 by Wardrop delineated a total inferred mineral resource of 763,276 ounces gold and an indicated resource of 96,400 ounces gold on the Osmani deposit, which is one of five highly prospective gold targets that Foundation has within this 16 km long Coldstream Gold Trend. Ike Osmani, M.Sc., P. Geo., the Qualified

Person (QP) for Foundation as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects, is responsible for the preparation of all technical information contained in this news release.

About Sheltered Oak Resources Corp.

[Sheltered Oak Resources Corp.](#) is focused on mineral exploration opportunities within Canada and owns a 100% interest in 23 mining claims including 12 mining leases totalling 1,488 hectares which comprise the Kerrs Gold Property, located east of Matheson in the prolific area of the Abitibi Greenstone Belt in North Eastern Ontario.

On behalf of the Board of Directors

Barry Girling
Interim CEO & Director

Additional information is available on the Company's website at: fdnresources.com

For further information, please contact:

Foundation Resources Inc.
Fern Turner, VP Business Development
Barry Girling, Interim CEO & Director
(604) 681-0405 - ext. 122 (604) 639-4528

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."

The securities offered will not be registered under the United States Securities Act of 1933, as amended (the "Act") and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Act.

Cautionary Statements to Shareholders -- Forward Looking Statements

This news release contains certain "forward-looking statements" and "forward-looking information" under applicable securities laws, and include any statements regarding beliefs, plans, expectations or intentions regarding the future. All statements in this release, other than statements of historical facts are forward-looking statements that involve various risks and uncertainties. Such forward looking statements include, among others, that the proposed Transaction will be completed and that the combined entity will add opportunity and value for its shareholders. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Although the Companies believe the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Assumptions upon which such forward-looking statements are based include that Foundation and Oak will be able to negotiate and execute definitive transaction documentation, that the due diligence investigations by each of Foundation and Oak will not identify any materially adverse facts or circumstances, that all required approvals will be obtained from the shareholders of each of Foundation and Oak, that all required third party regulatory and governmental approvals to the Transaction will be obtained and all other conditions to completion of the Transaction will be satisfied or waived. It is important to note that actual outcomes and actual results could differ materially from those in such forward-looking statements. Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include: (1) the failure to complete the Transaction for whatever reason; (2) the combined entity's ability to raise the necessary financing for operations and to complete any acquisitions or pursue any further exploration and development opportunities; (3) risks inherent in the mining industry.

Each of Foundation and Oak undertake no obligation to update publicly or revise any forward-looking

statements or information, whether as a result of new information, future events, changes in management's estimates or opinions or otherwise, unless so required by applicable laws or regulatory policies. For additional discussion of risks and uncertainties, readers should also refer to the annual Management's Discussion and Analysis and other filings for each of Foundation and Oak filed with the securities regulatory authorities in Canada and available at www.sedar.com. The reader is cautioned not to place undue reliance on forward-looking statements.

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