Archean Star Resources Inc. Announces Financing and Marketing Offtake Agreement

07.03.2013 | Marketwired

VANCOUVER, March 7, 2013 - Archean Star Resources Inc. (TSX VENTURE:ASP) (the "Company" or "Archean") announces that it has entered into an exclusive Financing Agreement with Element Capital Partners Limited ("Element") of Hong Kong for 25 million common shares of the Company at AUD$0.20 cents a share for gross proceeds of AUD$5 million dollars (the "Financing").

This Financing, which is priced at a 100% premium to the last traded market price, is to ensure the Company will meet the minimum listing requirements of the Australian Stock Exchange ("ASX") of AUD$3 million in net tangible assets, or a AUD$10 million market capitalization. The Company is currently preparing a prospectus to be lodged with the Australian Securities Investment Commission ("ASIC") along with a concurrent listing application in order to inter-list the Company's common shares on the ASX (the "ASX Listing").

The net proceeds of the Financing are to be used for exploration work on, and to earn an 80% interest in, the Monitor Property in the Coeur D'Alene Mining District of Idaho, for the listing of the Company's shares on the ASX, for a AUD$300,000 drilling program, co-funded by the Western Australia Department of Mines and Petroleum, on the Gnaweeda Gold Project, at Meekatharra, in the Murchison Gold District in Western Australia, and for general and corporate purposes.

In conjunction with the Financing, and subject to any establishment of a permitted, economic, minable resource at the Monitor Property in the Couer D'Alene Mining District, Idaho, the Company has also entered into an exclusive agreement with Element Commodities North America LLC (an entity related to Element), to purchase and market any and all copper and copper equivalent concentrates (including gold and silver) that may be derived from any future production from the Monitor Property.

The Financing and the ASX Listing are subject to compliance with the policies of the TSXV, ASX, ASIC and all other applicable securities laws. The Company will file the Financing Agreement for acceptance by the TSX Venture Exchange ("TSXV"). Finder fees may be payable in accordance with the policies of the TSX-V. A quarterly advisory fee of AUD$10,000 per month for 24 months will be payable to Element upon completion of the financing.

Archean Star Resources Inc., is a junior exploration company listed on the TSX Venture Exchange that is creating shareholder value by earning, through its wholly owned subsidiary, Archean Star Resources Australia Pty Ltd, 100% of Teck Australia Pty Ltd.'s ("Teck") interest, subject to a 75% back in right in such interest to Teck, in Chalice Gold Mines Limited's Gnaweeda Gold Project in Western Australia.

This News Release has been prepared on behalf of the Archean Star Resources Inc. board of directors, which accepts full responsibility for its contents.

ON BEHALF OF THE BOARD

Graeme O'Neill
President

Neither the TSX Venture Exchange, nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange), has reviewed, nor do they accept responsibility for, the adequacy or accuracy of this news release.

Contact

Archean Star Resources Inc.
Graeme O'Neill, President
(604) 684-3394

(888) 282-7763 (FAX)
www.archeanstar.com