Homestake Announces Financing and Property Acquisition

03.10.2013 | Marketwired

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct 3, 2013) - **Homestake Resource Corp. (TSX VENTURE:HSR)(FRANKFURT:B6I) ("Homestake" or "the Company")** reports that it has entered into a share exchange agreement with Global Resources Investments Ltd. ("GRIL"), an arm's length party to Homestake.

GRIL has been established to exploit investment opportunities in the junior mining and natural resources sectors worldwide, with an investment objective to generate medium and long-term capital growth. GRIL will re-register as a public company and be constituted as an investment trust with the name Global Resources Investment Trust Plc ("GRIT") and seek admission of its ordinary shares on the main market for listed securities on the London Stock Exchange.

Pursuant to the share exchange agreement, GRIT will issue and deliver to Homestake 347,329 ordinary shares of GRIT at a deemed price of £1.00 per share (the "GRIT Shares") in exchange for the issuance of 8,000,000 units of Homestake at a deemed price of £0.0434 (approximately $0.07) per unit. Each unit consists of one common share and one common share purchase warrant exercisable at $0.10 per share for a period of 2 years. Homestake will, at its election, sell the GRIT Shares through the facilities of the London Stock Exchange to realize proceeds of the transaction.

Closing of the transaction is subject to a number of conditions precedent, including approval of the TSX Venture Exchange, and GRIT successfully listing on the London Stock Exchange.

FH Property Acquisition

Homestake has entered into an option agreement with private optionors to acquire a 100% interest in the FH property in consideration for making payments of $100,000 over a five year period and issuing 250,000 common shares in the capital of the Company over a three year period. The optionors retain a 2% net smelter return royalty with respect to the FH property and Homestake may purchase up to half of such royalty from the optionors at any time for $1,000,000. The option agreement is subject to TSX Venture Exchange acceptance.

The 109 hectare FH claim is contiguous with and entirely surrounded by Homestake's Kinskuch claims and is centered on an 8 kilometre-long diorite intrusion of possible Jurassic age, which forms the southern extension of the 35 kilometre-long "Copper Belt" within the Kitsault Mineral district. Farther to the northwest, the Copper Belt hosts mineral deposits at the Company's Homestake Ridge Project and Dolly Varden Silver Corp.'s, Dolly Varden Project. Intrusions of similar age and composition host, or are spatially associated with, major mineral deposits throughout the region, including the Company's Homestake Ridge deposit, the Silbak-Premier deposit (Ascot Resources Ltd.), the Red Mountain Deposit (Banks Island Gold Ltd.), and the Brucejack - KSM Projects (Pretium Resources Inc. - Seabridge Gold Ltd.).

Mineralization was first recognized on the FH property in the early 1900's. On surface, prominent gossanous cliffs consist of sericite-pyrite-carbonate -altered diorite in contact with sandstone and argillite. The altered rock contains abundant pyrite, and up to 2% chalcopyrite. Historic records report results of up to 14 metres averaging 2.6% copper and 0.96 g/t gold from drilling in 1916. The precise location of the drilling is unknown, however, and the assays remain unverified by Homestake. A 12 metre chip sample from the same area reportedly returned 0.7% copper and 2.0g/t gold.

More recent work included soil sampling, which delineated a 1350m x 500m Cu-Au-Mo +/- Ag anomaly over the mineralized diorite. Four drill holes from a single pad within the soil anomaly in 2008 returned anomalous copper and gold mineralization within the phyllic- to potassic-altered intrusion, including 41 metres averaging 0.11g/t gold and 0.12% copper.

The FH claim will form part of the larger FH Cu-Au porphyry project, one of three target areas identified by the Company within the Kinskuch property. The Company plans an immediate review of the 2008 drill core and some surface work in preparation for a more robust exploration program in 2014.

Kitsault Mineral District

The Kitsault Mineral District is an approximately 40-kilometer-long mineral belt underlain by prospective Stuhini and Hazelton Group stratigraphy located to the south of the Cambria Ice Fields in northwestern British Columbia. Major deposits in the district include the Kitsault Molybdenum project (Avanti Mining Inc.), the Dolly Varden project (Dolly Varden Silver Corp./Hecla Mining Ltd.) and the Homestake Ridge project (Homestake Resource Corp./Agnico Eagle). Historic production in the district dates back to the early 1900's.

To view Figure "Location of the FH claims, Kitsault Mineral District" please visit the following link: http://media3.marketwire.com/docs/902340i.pdf

Corporate News

Frederick Sveinson and Terrence Eyton have tendered their resignations as directors of Homestake in order to pursue other opportunities. The board of directors thanks Messrs. Sveinson and Eyton for their valuable contributions to the Company and wishes them both every success in the future.

Rob Macdonald (P.Geo.) is the Qualified Person responsible for reviewing the technical results in this release and has approved its disclosure.

On behalf of the Board of Directors,

Joseph A. Kizis, Jr., President & Director

Homestake Resource Corp.

For further information, please visit the company's website at www.homestakeresource.com.

Neither 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.

This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general economic conditions, interest rates, commodity markets, regulatory and governmental approvals for the company's projects, and the availability of financing for the company's development projects on reasonable terms. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, the timing and receipt of government and regulatory approvals, and continued availability of capital and financing and general economic, market or business conditions. Homestake Resource Corp. does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

Contact

Homestake Resource Corp.
Liana Shahinian
1-888-456-1112 or 604-641-2773
liana@mnxltd.com
www.homestakeresource.com