

St. Augustine and Nadecor Strengthen Partnership by Restructuring King-king Project Joint Venture

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SPOKANE, WASHINGTON--(Marketwired - Oct 15, 2013) - **St. Augustine Gold and Copper Limited (TSX:SAU) ("St. Augustine") and Nationwide Development Corporation ("Nadecor")** announced today that they have signed an agreement to restructure (the "Restructuring") their interests in the King-king Project (the "Project"). Once approved, the Restructuring would result in St. Augustine holding a 100% interest in the joint venture milling company ("Milling Co") as well as assuming full responsibility for organizing the financing for the Project. The structure of the joint venture mining company ("Mining Co") would remain the same as was agreed originally between the parties, with Nadecor owning 60% and St. Augustine owning 40% of Mining Co, in accordance with the nationality requirements under Philippine law. The relationship between Mining Co and Milling Co would remain as originally planned, with Mining Co selling ore to Milling Co pursuant to an ore sales agreement. Milling Co will process the ore and would subsequently sell it to interested buyers. The Restructuring would also result in Nadecor shareholders owning 39.96% of St. Augustine.

Nadecor and St. Augustine's boards have both voted in favor of the Restructuring. St. Augustine's strategic Philippine partner, Queensberry Mining and Development Corp. ("Queensberry"), has also signed the Restructuring documents and expressed its full support for the Restructuring. Queensberry owns 18% of SAU.

"Simplifying the structure of the joint venture is beneficial for a number of reasons," said Andrew J. Russell, CEO of St. Augustine. "Firstly, it fully aligns the interests of Nadecor, St Augustine and their respective shareholders in the Project. Secondly, from a strategic perspective, we believe the new structure increases the attractiveness of the Project to potential strategic partners supportive of bringing King-king into production as soon as possible."

Conrado T. Calalang, President of Nadecor remarked, "This is a very important milestone for our partnership and is definitely a positive for both St. Augustine and Nadecor shareholders."

Manuel A. Paolo Villar, President of Queensberry said, "We are very supportive of this restructuring, which we view as beneficial for all stakeholders."

Key Terms of Restructuring:

Key terms of the Restructuring include:

- **St. Augustine would hold 100% of Milling Co, which would be responsible for the milling / processing of all ore produced from the Project. An ore sales agreement would be executed between Mining Co and Milling Co to implement this arrangement;**
- **Nadecor would own 60% of the Mining Co while St. Augustine would own 40% of Mining Co, which would hold the mining concessions required for the Project;**
- **St. Augustine would make available, on a pro-rata basis to Nadecor shareholders, 324,568,751 shares of St. Augustine at a deemed price of \$0.10 per share. This would represent 39.96% equity in St. Augustine on a fully diluted post Restructuring basis;**
- **St. Augustine would be responsible for organizing funding for 100% of the Project; and**

The closing of the Restructuring is subject to certain approvals and other conditions, including approval from

the Toronto Stock Exchange. Certain aspects of the proposed Restructuring will be subject to corporate approvals by both companies. St. Augustine shareholders will be entitled to vote on the proposed transaction during the annual general meeting of shareholders currently planned to be held on December 16, 2013. A management information circular and other mandatory meeting materials will be mailed to all shareholders of record in advance of the meeting in accordance with applicable securities law.

Considering the significant Filipino shareholding of St. Augustine resulting from the Restructuring as well as the desire to attract Asian investors, St. Augustine has agreed in the Restructuring documents to pursue a secondary listing on the Philippines Stock Exchange (PSE) by way of introduction. It is anticipated that the cross listing would be completed in the second half of 2014.

The King-king Copper-Gold Project is located in Compostela Valley in the Philippines, and is expected to recover 3.16B lbs. of copper and 5.43M oz. of gold over its 22 year mine life. According to the Preliminary Feasibility Study ("PFS") that was announced on September 18, 2013, the project has a pre-tax NPV of \$2.0 billion with an IRR of 24.8%. The mineral reserve amounts to 617.9 million tonnes at 0.300% total copper and 0.395 g/t gold.

The table below presents the mineral reserve for the King-king Project based on the mine and plant production schedules developed for the PFS.

Reserve Classification	Ktonnes	Tot Cu (%)	Sol Cu (%)	Gold (g/t)	NSR (US\$)
Proven Mineral Reserve					
Heap Leach Ore	17,791	0.340	0.197	0.132	16.53
Oxide Mill Ore	21,674	0.514	0.328	0.849	45.36
Sulfide Mill Ore	52,942	0.305	0.044	0.543	24.92
Low Grade Mill Ore	6,734	0.184	0.027	0.218	10.80
Total Proven Reserve	99,141	0.349	0.132	0.514	26.92
Probable Mineral Reserve					
Heap Leach Ore	77,373	0.305	0.172	0.145	14.81
Oxide Mill Ore	45,440	0.393	0.259	0.745	35.30
Sulfide Mill Ore	345,715	0.288	0.037	0.398	20.48
Low Grade Mill Ore	50,247	0.191	0.023	0.211	10.93
Total Probable Reserve	518,775	0.290	0.075	0.373	20.01
Proven/Probable Mineral Reserve					
Heap Leach Ore	95,164	0.311	0.177	0.143	15.13
Oxide Mill Ore	67,114	0.432	0.281	0.779	38.55
Sulfide Mill Ore	398,657	0.290	0.038	0.417	21.07
Low Grade Mill Ore	56,981	0.190	0.023	0.212	10.91
Total Prov/Prob Reserve	617,916	0.300	0.084	0.395	21.12

NATIONAL INSTRUMENT 43-101 COMPLIANCE

Mr. James J. Moore, P.E., Vice President Technical, St. Augustine Gold and Copper Limited, a qualified person under National Instrument 43-101 ("NI 43-101") has reviewed and approved the scientific and technical information contained in this news release.

A NI 43-101 compliant technical report entitled "King-king Copper-Gold Project Mindanao, Philippines" dated October 12, 2010, and prepared by Michael G. Hester, FAusIMM of Independent Mining Consultants, Inc., Donald F. Earnest, P.G. of Resource Evaluation, Inc. and John G. Aronson of AATA International, Inc. has been previously filed by the Company on www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This announcement includes certain "forward-looking statements" within the meaning of Canadian securities legislation. All statements, other than statements of historical fact included herein are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important

factors that could cause actual results to differ materially from the Company's expectations include uncertainties related to fluctuations in gold, copper and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainties relating to the completion of a bankable feasibility study; uncertainty of estimates of capital and operating costs, recovery rates production estimates and estimated economic return; the need for cooperation of the Company's joint venture partner and government agencies in the development of the Company's mineral projects; the need to obtain additional financing to develop the Company's mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for the Company's mineral projects; and other risks and uncertainties disclosed under the heading "Risk Factors" in the Annual Information Form dated March 22, 2013, and filed with Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.

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