

# Tawsho Mining Inc. and Rockcliff Resources Inc. Enter Into Letter of Intent Regarding Proposed Merger, Rockcliff Amends Terms of Financing

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TORONTO, ONTARIO -- (Marketwired - Dec 9, 2013) - [Rockcliff Resources Inc.](#) ("Rockcliff") (TSX VENTURE:RCR) and [Tawsho Mining Inc.](#) (TSX VENTURE:TAW) ("Tawsho") are pleased to announce that they have entered into a letter of intent (the "LOI") which sets out the principal terms upon which it is proposed that the two corporations will complete a business combination (the "Merger"). The Merger will be effected on a share for share basis such that each nine (9) issued and outstanding securities of Rockcliff will be exchanged for five (5) securities of Tawsho. At the conclusion of the Merger, the existing Tawsho shareholders will hold approximately 69.72% of the outstanding shares of the combined entity ("MergeCo") and the existing shareholders of Rockcliff will hold approximately 30.28% of the outstanding shares of MergeCo. It is anticipated that MergeCo will continue to be named "Tawsho Mining Inc." and will continue to be listed on the TSX Venture Exchange ("TSXV"). Currently Rockcliff has 22,868,903 common shares issued and outstanding and Tawsho has 29,251,849 common shares issued and outstanding. MergeCo will have 41,956,795 common shares issued and outstanding before giving effect to the Rockcliff Financing referred to below. As part of the Merger, Zoran Arandjelovic, Chairman of Tawsho, (as to \$300,000) and Steve Balch, President & C.E.O. of Tawsho, (as to \$60,000) have agreed to subscribe for a total of \$360,000 of the Rockcliff Financing on the terms set out below.

## Reasons for the Merger

Rockcliff President and C.E.O., Ken Lapierre stated "The Board and Management of Rockcliff unanimously support the planned merger between our two Companies. The MergeCo will have an outstanding technical and financial team in place which will perfectly augment an excellent property portfolio centered on its high grade copper deposits in Manitoba and gold deposits in Quebec. MergeCo will now have the financial capability to systematically advance these deposits so that their true mine potential can be realized. Obviously, the market has not been kind to juniors over the last number of years and MergeCo will be vigilant of its finances while advancing its priority properties moving forward. We strongly recommend to our shareholders to support this Merger as it will provide long term survival and growth of the properties we have worked so hard at advancing." The share exchange ratio represents a 25% premium to the closing price of Rockcliff common shares on December 5, 2013.

Steve Balch, President and C.E.O. of Tawsho stated "Tawsho is enthusiastic about expanding its resource focus, currently comprised of its gold resource in Quebec and its graphite property in Newfoundland, to include the high grade copper deposits of Rockcliff. Tawsho shareholders will benefit from the significant enhancements made by Rockcliff management to the Rockcliff copper properties in Manitoba. Presently, two copper deposits host approximately 150,000,000 pounds of high grade copper in the indicated resource category and over 55,000,000 pounds in the inferred resource category with significant credits in gold, zinc and silver. Both deposits are open in all directions and significant high grade tonnage could be added to the present resources with additional drilling. MergeCo will have a solid base of precious and base metal resources and access to capital that will ensure its continued viability."

## Rockcliff Financing

Rockcliff wishes to announce that it will be undertaking a non-brokered flow-through unit private placement and a non-brokered working capital unit private placement to raise aggregate proceeds of up to \$650,000 (the "Rockcliff Financing") to provide it with additional operating and exploration capital. The offering announced on November 11, 2013 has been amended to provide for up to 2,500,000 flow-through units of Rockcliff at a price of \$0.06 per flow-through unit, for gross proceeds of up to \$150,000, and up to 10,000,000 working capital units of Rockcliff at a price of \$0.05 per working capital unit, for gross proceeds of up to \$650,000.

Each flow-through unit (a "FT Unit") consists of one flow-through common share of Rockcliff priced at \$0.06

and one (1) non flow-through share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire an additional common share at a price of \$0.075 until twenty-four (24) months from the closing of the Rockcliff Financing.

Each working capital unit (a "WC Unit") consists of one common share of Rockcliff priced at \$0.05 and one (1) share purchase warrant (a "WC Warrant"). Each WC Warrant entitles the holder to acquire an additional common share at a price of \$0.075 until twenty-four (24) months from the closing of the Rockcliff Financing.

Rockcliff will pay finder's fees of 10% cash and issue Compensation Options equal to 10% of the number of WC Units or FT Units placed by any eligible finders. Each Compensation Option will entitle the finder to acquire one common share for twenty-four (24) months from the closing of the Rockcliff Financing at \$0.05 per common share.

If the Rockcliff Financing is fully subscribed, the existing Tawsho shareholders will hold approximately 59.82% of the outstanding shares of MergeCo and the existing shareholders of Rockcliff, including in the investors in the Rockcliff Financing, will hold approximately 40.18% of the outstanding shares of MergeCo. MergeCo will then have 48,901,240 common shares issued and outstanding.

If the Rockcliff Financing is fully subscribed, Zoran Arandjelovic will hold 16.96% of Rockcliff on an undiluted basis and Steve Balch will hold 3.39% of Rockcliff on an undiluted basis. The WC Warrants to be issued to Mr. Arandjelovic will be restricted such that Mr. Arandjelovic will not be able to exercise the WC Warrants if such exercise could result in Mr. Arandjelovic holding 20% or more of the issued and outstanding capital of Rockcliff without obtaining approval of the shareholders of Rockcliff to the change of control. If the Merger is completed, the restriction will be removed.

## Structure of the Merger

It is anticipated that the Merger will be effected by way of a three-cornered amalgamation under the Business Corporations Act (Ontario) (the "OBCA"), pursuant to which Rockcliff (a corporation formed under the OBCA) will amalgamate with a newly-incorporated, wholly owned OBCA formed subsidiary of Tawsho, to become a wholly-owned subsidiary of Tawsho.

Under the terms of the Merger:

1. all of the common shares of Rockcliff (the "Rockcliff Shares") outstanding will be exchanged for common shares of Tawsho (the "Tawsho Shares") at the ratio of nine (9) Rockcliff Shares for five (5) Tawsho Shares (the "Exchange Ratio");
2. the warrants and options of Rockcliff issued and outstanding at the date of the Merger will be converted into warrants and options of Tawsho at the Exchange Ratio and the exercise prices of the warrants and options will be adjusted by a factor of 9/5;
3. Tawsho shall continue with its listing on the TSXV.
4. Tawsho shall appoint four (4) directors to MergeCo and Rockcliff shall appoint two (2) directors to MergeCo.
5. The President and C.E.O. of Tawsho, Steven Balch, will become the President and Chief Executive Officer of MergeCo and the President and C.E.O. of Rockcliff, Ken Lapierre, will become the Chief Operating Officer of MergeCo. Zoran Arandjelovic, Chairman of the Board of Tawsho, will become the Chairman of the Board of MergeCo.

Rockcliff and Tawsho shall cooperate in structuring the Merger, which may vary from the foregoing structure on the basis of tax, securities, corporate law and other advice in order to ensure the most efficient and cost effective structure for each of the parties and their respective security holders.

Completion of the Merger is subject to a number of conditions, including, but not limited to, confirmatory due diligence, the negotiation and execution of a definitive agreement, the receipt of all required regulatory approvals, including the approval of the TSXV, and approval of the shareholders of Rockcliff and Tawsho.

The Merger will be submitted to the shareholders of Rockcliff (the "Rockcliff Shareholders") for consideration and approval by special resolution at a special meeting to be convened by Rockcliff (the "Rockcliff Meeting"). The Merger will be submitted to the shareholders of Tawsho (the "Tawsho Shareholders") for consideration and approval by an ordinary resolution of the majority of the minority shareholders of Tawsho at a special meeting to be convened by Tawsho (the "Tawsho Meeting"). The Rockcliff Meeting and the Tawsho Meeting shall be held as soon as possible following the completion, to the satisfaction of Rockcliff and Tawsho, of all due diligence investigations and execution of definitive documentation.

Each party will pay its own costs and expenses (including all legal, accounting and financial advisory fees and expenses) in connection with the Merger, including expenses related to the preparation, execution and delivery of the LOI, a definitive agreement and such other required documents.

In addition, the parties have agreed that either party may terminate the Merger as a result of such party completing an alternative transaction, including but not limited to a merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of material assets, recapitalization, reorganization, liquidation, sale or issuance of a material number of treasury securities (except upon the due exercise of convertible securities outstanding on the date of this news release) or rights or interests therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction involving it or any of its subsidiaries other than with the other party to the LOI, such party enters into a letter of intent or definitive written agreement with respect to a Superior Proposal, or if such party is subject to a take-over bid initiated by a third party.

### Rockcliff Resources Inc.

[Rockcliff Resources Inc.](#) is a Canadian resource exploration company focused on discovery and advancement of its high-quality mineral properties at its Snow Lake Project. Rockcliff presently controls the Snow Lake Project in Manitoba, totalling in excess of 400 km<sup>2</sup>. The project includes two VMS high grade copper rich National Instrument 43-101 ("NI 43-101") Resources (Rail and T-1 Copper Deposits), one historic VMS copper deposit (Lon), the T-2 Copper Zone (Tower), numerous untested geophysical anomalies and several additional properties with VMS potential. Rockcliff also owns a zinc-silver rich NI 43-101 Resource (Shihan) in Ontario.

Rockcliff's two principle assets are the high grade T-1 Copper Deposit mineral resource at the Tower Property and the Rail Deposit at the Rail Property.

### Tower Property

Mineral Resource Statement, T-1 Copper Deposit, Manitoba, by Caracle Creek International Consulting Inc., dated December 2, 2012:

Resource Category	Tonnes	Cu (%)	Zn (%)	Ag (g/t)	Au (g/t)	Contained Pounds-Cu
Indicated	1,084,186	3.73	1.05	17.28	0.55	88,968,303
Inferred	1,253,522	2.00	1.02	9.78	0.27	55,154,968

#### Notes:

1. CIM definitions were followed for the estimation of mineral resources.
2. Mineral resources are estimated at a Cu cut-off of 0.5%.
3. Cut-off grade was based on a copper price of US\$3.63 per pound.
4. Given the tonnage, grade and orientation of the deposit, Caracle Creek considers the T-1 Copper Deposit to be reasonably amenable to extraction using underground mining methods.
5. Specific Gravity measurements were taken on a portion of the samples and where actual measurements were not available an average of 3.00 was used.
6. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
7. The report entitled "Independent Technical Report, Tower Property, Grand Rapids, Manitoba" dated January 20, 2013 was prepared by Zsuzsanna Magyarosi, Julie Selway, Jason Baker and Julie Palich, independent qualified persons under NI 43-101, for Caracle Creek International Consulting Inc. (Caracle Creek) and is available at [www.sedar.com](http://www.sedar.com).

Pursuant to an exploration and option agreement with [Pure Nickel Inc.](#), to earn a 70% interest in the property, Rockcliff must pay \$150,000 in incremental payments and is required to incur aggregate exploration expenditures totalling \$4,000,000.

Rockcliff has recently exercised the option to earn its 50% interest by spending \$2,000,000 on exploration expenditures and paying \$90,000 to [Pure Nickel Inc.](#) A 50/50 Joint venture has now been formed. Rockcliff can now earn an additional 20% in the property by spending an additional \$2,000,000 (approximately \$1,900,000 of which has been spent to date) in exploration expenditures and paying a total of \$60,000 to Pure Nickel (\$30,000 has been paid to date) by March of 2014. Once completed, Rockcliff will control a 70% interest in the property. An underlying 2% NSR on the property is held by Xstrata Nickel, of which half can be

purchased for \$1,000,000.

## Rail Deposit

The report entitled "Mineral Resource Evaluation, Rail Polymetallic Sulphide Deposit, Snow Lake, Manitoba", dated December 19, 2010 (the "Rail Deposit Report"), was prepared by Sébastien Bernier, M. Sc., P.Geo, and Dominic Chartier, P.Geo., qualified persons under NI 43-101, on behalf of SRK Consulting (Canada) Inc. and is available at [www.sedar.com](http://www.sedar.com).

The Mineral Resource Statement prepared by SRK for the Rail Deposit is detailed below.

The Mineral Resource Statement for the Rail Deposit is reported at a cut-off grade of 2.0 percent copper. The statement includes metal grade for copper, zinc, gold and silver but not lead because this metal is present at near detection limits. The Mineral Resource Statement for the Rail Deposit is summarized in Table i.

Table i: Mineral Resource Statement\*, Rail Polymetallic Sulphide Deposit, Manitoba  
SRK Consulting, November 4, 2010

Resource Category	Quantity (tonnes)	Grade				Contained Cu (pounds)
		Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	
Indicated	822,000	3.04	0.90	0.66	9.25	55,090,000
Inferred	-	-	-	-	-	-

\* Reported at a cut-off grade of 2.0 percent copper. Cut-off grade is based on copper price of US\$3.00 per pound and a metallurgical recovery of eighty percent, without considering revenues from other metals. All figures rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The mineral resources are reported at a cut-off grade of 2.0 per cent copper to reflect "the reasonable prospects" for economic extraction. SRK considers the Rail Deposit to be amenable to extraction using underground mining methods. The Mineral Resources Statement for the Rail Deposit presented in Table i are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves. The Indicated Mineral Resource for the Rail Deposit was classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) by Sébastien Bernier, P.Geo (APGO#1847), an appropriate independent person for the purpose of NI 43-101. Mr. Bernier has reviewed the technical content of this news release. Reference is made to the press release dated November 4, 2010.

Rockcliff has a 100% interest in the Rail Property from Hudson Bay Exploration and Development Company Limited (HBED), a wholly owned subsidiary of [HudBay Minerals Inc.](http://www.hudbayminerals.com) (HBM: TSX). HBED will receive a 2% Net Smelter Return Royalty. HBED has the right to acquire back up to a 65% interest in the Rail Property until March 2015. Please refer to the News Release dated March 23, 2007 for further details.

Ken Lapierre, P.Geo., President & CEO of Rockcliff Resources Inc., is a Qualified Person under the definition of NI 43-101. Mr. Lapierre has reviewed and approved the information in this press release relating to Rockcliff.

## Tawsho Mining Inc.

Tawsho is a mining exploration company focused on the acquisition, exploration and development of advanced stage exploration projects containing gold, base metals and industrial minerals. Tawsho is presently developing its Cabot Graphite Property (comprised of 102 claims covering an area of 2,550Ha or 25.5 sq.km) located on the Baie Verte Peninsula, Newfoundland and its Chevrier Property (comprised of 557 claims, covering an area of 9,542Ha or 95.4 sq.km) located in the Chibougamau region of Quebec.

## Chevrier Gold Deposits

Tawsho's principle asset is the open pit potential of its Chevrier Gold Project located near Chibougamau, Quebec. Met-Chem Canada Inc. ("Met-Chem") completed a report dated April 2010 entitled "NI 43-101 Technical Report on the Mineral Resource of the Chevrier Gold Project, Chibougamau, Quebec-Canada" which is available on [www.sedar.com](http://www.sedar.com).

The Chevrier Property comprises two main zones, the Chevrier Deposit and the Chevrier South Deposit.

The Chevrier Deposit is estimated by Met-Chem to contain the following Inferred Resource, between surface and a depth of 250m, using a cut-off grade of 1.0g/t gold and a minimum width of 1.5m:

<u>Resource</u>	<u>Tonnage</u>	<u>Average Grade</u>	<u>Gold (oz)</u>
Inferred	4,600,000	1.99g/t gold	295,000

Met-Chem cautioned that mineral resources have no demonstrated economic viability. In addition, there is no certainty that all or part of the Mineral Resources will be converted into reserves.

The Chevrier South Deposit has been tested by only 19 drill holes and as such Met-Chem determined that insufficient reliable information was present to estimate a mineral resource. However, Met-Chem did provide a 3D conceptual model outlining an estimate of tonnage and grade of the "mineralized material" potentially present at the Chevrier South Deposit as follows:

<u>Tonnage</u>	<u>Average Grade</u>
8.5-9.0 million tonnes	1.8-2.2g/t gold

Stephen Balch, P.Geo., President & CEO of [Tawsho Mining Inc.](#), is a Qualified Person under the definition of NI 43-101 and has reviewed and approved the technical content in this press release relating to [Tawsho Mining Inc.](#)

### **Forward Looking Statement:**

*Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Companies are forward looking statements that involve various risks. The following are important factors that could cause the Companies' actual results to differ materially from those expressed or implied by such forward looking statements: changes in the world wide price of mineral commodities, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future profitability and the uncertainty of access to additional capital. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events may differ materially from those anticipated in such statements. Rockcliff undertakes no obligation to update such forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on such forward-looking statements.*

*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.*

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