

Abitibi Royalties Engages Red Cloud Mining Capital Inc. to Provide Strategic Advisory Services

14.04.2014 | [Marketwired](#)

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VAL-D'OR, QUÉBEC -- (Marketwired - April 14, 2014) - [Abitibi Royalties Inc.](#) (TSX VENTURE:RZZ) (the "Company" or "Abitibi") is pleased to announce that it has engaged Red Cloud Mining Capital Inc. ("Red Cloud") as a non-exclusive independent contractor to provide strategic advisory services to Abitibi, including advice in connection with proposed mergers, acquisitions, divestitures and other such transactions, plus ongoing financial, strategic and marketing advice to the Board and management as reasonably requested from time to time.

Pursuant to the advisory agreement entered into between Abitibi and Red Cloud, Red Cloud will provide the advisory services outlined in the agreement for a period of six months for a retainer fee to be satisfied by, subject to prior approval by the TSX Venture Exchange, the issuance of 50,000 common shares in the capital of Abitibi and reimbursement of out-of-pocket expenses reasonably and properly incurred by Red Cloud in performing the services. In addition, the Company will pay to Red Cloud a corporate finance bonus plus applicable taxes, payable in cash or shares at the discretion of Abitibi, subject to prior Exchange approval, in the event of a successful transaction completed by the Company (an "M&A Transaction") based on the value of such transaction.

Chad Williams, a director of Abitibi, is also the President of Red Cloud. The Red Cloud Agreement provides that in the event Abitibi completes an M&A Transaction during the term of the Red Cloud Agreement and Mr. Williams, in his capacity as a director of Abitibi, becomes entitled to a bonus and/or a success fee payable by Abitibi with respect to such an M&A Transaction, any corporate finance bonus payable to Red Cloud under the terms of the advisory agreement with Abitibi with respect to that same M&A Transaction shall be reduced by the amounts of any bonus and/or any success fee payable by Abitibi to Mr. Williams in his capacity as a director.

Shares issuable or that may become issuable by Abitibi in satisfaction of compensation payable to Red Cloud under the terms of the advisory agreement and any shares that may become issuable by Abitibi in satisfaction of any bonus and/or success fee payable to Chad Williams constitute related party transactions under TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions. Abitibi intends to rely on exemptions from the formal valuation and the minority shareholder approval requirements of MI 61-101, subject to availability of such exemptions once the value and specifics of the related party transactions are known.

About Red Cloud Mining Capital Inc.

Red Cloud is a 'new concept' capital markets advisory firm. Working as an extension of management, we use our global network of capital markets specialists and our extensive experience in the many facets of the business of mining to help companies identify alternative sources of capital and quality actionable growth opportunities, and to generate and maintain important relationships with key investors.

About Abitibi Royalties Inc.

Abitibi Royalties holds 100% title to the Luc Bourdon and Bourdon West Prospects in Ontario and a 30% free-carried interest on the Malartic CHL Property near Val-d'Or, Québec which is the object of a joint venture with Osisko. In addition, the Company holds a 2% net smelter royalty interest in one additional claim held by Osisko, and may acquire and generate other property and royalty interests.

Golden Valley Mines Ltd. holds an approximate 62.7% interest in Abitibi Royalties Inc.

Forward Looking Statements:

This news release contains certain statements that may be deemed "forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes 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 realities may differ materially from those in forward looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by law, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

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 news release.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/170930--Abitibi-Royalties-Engages-Red-Cloud-Mining-Capital-Inc.-to-Provide-Strategic-Advisory-Services.html>

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