

# Advanced Explorations and Parkson Star Agree to Form Strategic Joint Venture to Advance the Roche Bay Iron Ore Project

14.05.2014 | [Marketwired](#)

TORONTO, May 14, 2014 - [Advanced Explorations Inc.](#) (TSX VENTURE:AXI) (FRANKFURT:AE6) (the "Company" or "AEI") is pleased to announce that it has signed a memorandum of understanding with Parkson Star Ltd. (HK) ("Parkson") for the joint development of the Company's Roche Bay Iron Ore Project into production (the "Cooperation Agreement"). Pursuant to the Cooperation Agreement, AEI will commence the formation of a wholly owned subsidiary corporation named Savik Iron Mines Ltd. ("Savik") in a jurisdiction agreed upon by the parties. Upon receipt of requisite approvals, AEI shall effect the transfer of its interest in the Roche Bay and Tuktu Projects to Savik and, subject to making initial capital injections into Savik and fulfilling certain capital funding (CAPEX) obligations, Parkson shall have the right to earn an 80% equity interest in Savik. AEI shall retain a 20% interest in Savik as free carry until the substantial completion of the mine and attainment of first commercial production.

Additionally, under the terms of the Cooperation Agreement, AEI shall assign \$13.3 million in corporate debts to Savik, including the outstanding convertible debentures held by XinXing Ductile Iron Pipe Co. Ltd ("XDIP") and any interest accrued thereon. The parties have also agreed to complete a definitive Joint Venture Agreement and ancillary agreements upon the satisfactory conclusion of due diligence and the capitalization and formation of Savik.

In order to fund general and administrative expenses and legal costs related to the completion of the transaction as outlined, Parkson shall effect a non-brokered private placement in the Company totaling C\$600,000.

This transaction is subject to approval by AEI shareholders and the customary regulatory approvals. AEI will call a special meeting of its shareholders to approve the transaction, to be held on or about June 24, 2014.

## Highlights of the Cooperation Agreement:

- A C\$600,000 private placement into AEI
- Formation of Savik to fast track development of a mine at Roche Bay by combining the company's interests in the Project with the financing expertise and execution ability of Parkson
- Funding provisions for the entire Project CAPEX
- Assumption of C\$13,300,000 of AEI's corporate debts by Parkson including the currently outstanding debentures with XDIP

## Details of Initial Investment:

Upon signing the Cooperation Agreement, Parkson will effect a C\$600,000 private placement involving the purchase of 8,571,428 units (the "Units") at a price of C\$0.07 per Unit. Each Unit consists of one common share of the Company and one common share purchase warrant ("Warrant"), with each Warrant being exercisable to acquire one common share of the Company at a price of \$0.14 for a period of 24 months following the closing date of the placement.

ON BEHALF OF THE BOARD

Eric Guo, MBA, CFA  
Chief Executive Officer

**ABOUT Parkson Star Ltd. (HK)**

Parkson is a Chinese private wealth fund that has strong business relationships with Chinese banks as well as expertise in securing project financing for mining projects.

### **ABOUT Advanced Explorations Inc.**

[Advanced Explorations Inc.](#), based in Toronto, Ontario, is a resource development company focused on developing its Roche Bay and Tuktu Iron Ore Projects in one of the world's largest developing iron ore districts, the Melville Peninsula in Nunavut. The Ocean-based Roche Bay Project boasts an NI 43-101 compliant resource estimate of over 500 million tonnes outlined within a small portion of the potential 140 km of banded iron formation. A positive feasibility study for the project's C Zone revealed a net present value of \$642M on a base case 5.5 Mtpa start-up concentrate operation and substantial upside potential including becoming a low quartile cost producer. To date, the Company has delineated over 1 billion tonnes of iron under NI 43-101 among its Roche Bay and Tuktu deposits and continues to explore other targeted deposits in areas to the north, south and west of Roche Bay. The management team has extensive technical, exploration and Canadian Arctic mining expertise to effectively develop the high quality iron ore opportunities on the Melville Peninsula.

*This news release also includes forward-looking statements that involve a number of risks and uncertainties. The information reflects numerous assumptions as to industry performance, general business and economic conditions, regulatory and legal requirements, taxes and other matters, many of which are beyond the control of the company. Similarly, this information assumes certain future business decisions that are subject to change. There can be no assurance that the results predicted here will be realized. Actual results may vary from those represented, and those variations may be material.*

*This news release does not constitute an offer to sell or a solicitation of an offer to sell any securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/173524--Advanced-Explorations-and-Parkson-Star-Agree-to-Form-Strategic-Joint-Venture-to-Advance-the-Roche-Bay-Iron->

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