

# Marlin Gold Mining Ltd. Closes Streaming Transaction to Launch Sailfish Royalty Corp.

11.07.2014 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 10, 2014) - [Marlin Gold Mining Ltd. \(TSX VENTURE:MLN\)\(OTCQX:MLNGF\)](#) ("Marlin" or the "Company") and its wholly owned subsidiary Sailfish Royalty Corp. ("Sailfish") are pleased to announce the closing of the private placement and streaming transaction with [Golden Reign Resources Ltd.](#) ("Golden Reign"), as originally described in the Company's press release on February 26, 2014.

## Private Placement and Streaming Transaction Establishes a Platform for Growth

After completing a full suite of geological, geotechnical and metallurgical due diligence, Marlin has purchased 21,333,333 shares of Golden Reign for \$3.2 million, or \$0.15 per share, representing ownership of approximately 19.9% of the company. The shares were acquired pursuant to the minimum amount investment exemption under applicable securities laws, and were acquired for investment purposes. John Brownlie (CEO of Marlin) and Akiba Leisman (Chairman of Marlin) have each taken board seats at Golden Reign to oversee Marlin's interests at Golden Reign.

Sailfish, Marlin's wholly owned subsidiary, has executed definitive documentation to acquire a significant gold stream on Golden Reign's San Albino gold deposit and surrounding areas in Nicaragua. For a purchase price of US\$15 million, Sailfish will be entitled to purchase 40% of gold production at US\$700 per troy ounce <sup>(1)</sup>, <sup>(4)</sup> until the first US\$19.6 million <sup>(2)</sup> is recovered by Sailfish, and 20% of gold production at US\$700 per troy ounce <sup>(3)</sup>, <sup>(4)</sup> thereafter. Prior to commercial production, Sailfish will be entitled to receive an 8% semi-annual coupon payment on the purchase price from Golden Reign. Sonoran Resources LLC is providing engineering, procurement and construction management services for this project.

Mr. Leisman states, "Closing this transaction allows Marlin to create a deep and robust platform for further growth. We have a gold mining company with a best in class operating team led by John Brownlie, which has collectively built four mines on time and under budget over the last 6 years, demonstrating that we can acquire and develop low capital intensity mines and projects in the Americas. Furthermore, by capturing the substantial premium royalty companies trade at relative to operating companies, Sailfish will provide a lower cost of capital for Marlin to explore our 118,000 hectare land package and to acquire additional projects and mines. Royalties are an underutilized form of acquisition finance in the mining space, and Marlin intends to use our comprehensive platform to grow our company into a substantial gold producer in a highly accretive manner."

It is Marlin's intent to distribute shares of Sailfish to Marlin's shareholders when the market fully recognizes the value of our royalty assets.

<sup>(1)</sup> Subject to a 1% per year cost escalation beginning three years from commercial production.

<sup>(2)</sup> Golden Reign will be required to make minimum monthly payments of US\$282,800 per month once commercial production commences until the first US\$19.6 million is recovered by Sailfish.

<sup>(3)</sup> Subject to a 1% per year cost escalation beginning three years from commercial production, plus 50% of the price differential above US\$1,200 per troy ounce subject to certain adjustments.

<sup>(4)</sup> Lesser of the reference price or the current market price of gold.

## Marlin's Controlling Shareholder Is No Stranger to this Royalty Model

The launch of Sailfish follows the path of [Diamondback Energy Inc.](#) ("Diamondback"), another investment by Wexford Capital ("Wexford"), which manages the investment funds currently in control of Marlin. Wexford and a partner created Diamondback, which went public in October 2012. In September 2013, the company acquired a royalty on acreage operated by Diamondback for US\$440 million through its subsidiary Viper Energy Partners LP ("Viper"). Viper went public in June 2014 and now has a US\$2.5 billion market cap (>5x

the purchase price). Diamondback, which still owns approximately 92% of Viper, can now use units in Viper to make further highly accretive acquisitions.

### Share Consolidation

Marlin expects to complete the previously announced share consolidation of its outstanding common shares on a 10:1 ratio (the "**Share Consolidation**") with the newly consolidated shares ready for trading on Monday July 14, 2014.

### About Marlin Gold

Marlin Gold is a publicly-listed company on the TSX Venture Exchange with properties located in Sinaloa and Zacatecas, Mexico. Marlin's priority is to advance its properties toward commercial production and enhance shareholder value through financial optimization, namely through the growth of its wholly-owned subsidiary, Sailfish Royalty Corp. The La Trinidad property, which hosts the Taunus gold deposit, had a first gold pour on February 28, 2014. A NI 43-101 resource estimate and preliminary economic assessment for the Taunus gold deposit can be found at [www.sedar.com](http://www.sedar.com) or at [www.marlingold.com](http://www.marlingold.com).

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Cautionary statement regarding forward-looking information**

*This news release contains 'forward-looking statements' within the meaning of applicable securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur, including the timing of commercial production and the available resources at the San Albino and La Trinidad projects, the anticipated distribution of Sailfish shares to Marlin shareholders, the timing of the Share Consolidation, the Company's operations and management expenditures and the timing of reprocess of material and production from La Trinidad. These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while based on management's expectations and considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: market conditions, uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold resources; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfill projections/expectations and realize the perceived potential of the Company's projects; uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the San Albino and La Trinidad projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties, including those described in the Company's current Annual Information Form filed on SEDAR at [www.sedar.com](http://www.sedar.com). As a result, readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this release. Unless required by law, Marlin has no intention to and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

## Contact

For further information, or a copy of the early warning report to be filed by Marlin in connection with the private placement, contact:

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