

# Polar Star Mining Corp. and Iron Creek Capital Corp. Agree to Merge

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## Polar Star to Acquire all of the Outstanding Common Shares of Iron Creek

VANCOUVER, Sept. 19, 2014 - [Polar Star Mining Corporation](#) (TSX:PSR) ("Polar Star") and [Iron Creek Capital Corp.](#) (TSX VENTURE:IRN) ("Iron Creek") are pleased to announce that they have agreed in principle to merge the two companies via a statutory amalgamation, plan of arrangement or similar shareholder approved transaction (the "Transaction"), which will result in Polar Star acquiring all of the outstanding common shares of Iron Creek.

A non-binding Letter of Intent has been signed between the two companies detailing the basic terms of the proposed merger. The companies will strive to arrive at a definitive agreement within 30 days, and close the deal prior to year-end.

The combined companies will re-brand under a new name ("Newco") and will control more than 330,000 hectares of highly prospective exploration ground in northern Chile focused on copper, gold and silver. Newco will have three existing and active option and joint venture agreements with major mining companies.

## Proposal

Under the Transaction an Iron Creek shareholder would receive, in exchange for each Iron Creek share held by it, 3.82 common shares of Polar Star (the "Exchange Ratio"). All outstanding Iron Creek options, warrants or other derivative securities will roll over on the same terms into Polar Star options, warrants or other derivative securities, subject to adjustment to reflect the Exchange Ratio.

In total, Polar Star will issue 147,479,415 common shares to Iron Creek shareholders, representing 42.1% of Newco, with a resultant total of 350,496,190 outstanding common shares of Newco. At the closing of the Transaction, the Polar Star shares will be consolidated at a ratio to be determined by the parties.

Polar Star will continue into British Columbia and the name of Polar Star will be changed to a name to be agreed upon by Polar Star and Iron Creek. Polar Star intends to maintain a main board TSX listing for Newco.

The proposal includes that the current Iron Creek management team will continue the management and direction of Newco. The Board of Directors of Newco will initially comprise 4 current directors of Iron Creek and 2 current directors of Polar Star. The treasuries of the two companies will be combined, resulting in a strong cash position of approximately \$3M in Newco, whilst at the same time realizing synergistic cost savings in terms of management and overhead.

Entering into the definitive agreement for the Transaction is conditional upon: the completion of due diligence by both parties; the entering into of support agreements with certain Iron Creek and Polar Star shareholders and all Iron Creek and Polar Star directors and officers; receipt of fairness opinions relating to the Transaction from an independent financial advisor or advisors; and receipt of prior approval by the boards of directors of each of Iron Creek and Polar Star.

The completion of the Transaction will be subject to, among other things, no material adverse change in the business, operations or affairs of either Iron Creek or Polar Star having occurred prior to the effective date of the Transaction, and receipt of all required court, shareholder, stock exchange and regulatory approvals for the Transaction and to the Polar Star continuation, share consolidation and name change.

Polar Star and Iron Creek have entered into a period of exclusivity ("Exclusivity Period"), which will terminate on the earliest of (a) 90 days from the date hereof, or (b) the entering into of the Agreement and Support Agreements, or (c) such other date as may be mutually agreed between Polar Star and Iron Creek in writing. Each of Polar Star and Iron Creek has agreed that, during the Exclusivity Period, neither it, its affiliates nor any of their respective representatives, officers, directors, employees, advisors or agents will, directly or indirectly, make, solicit or initiate enquiries from, or the submission of proposals or offers from, any other person relating to any acquisition proposal. During the Exclusivity Period, each of Iron Creek and Polar Star

agree (a) not to issue any debt, equity or equity-like securities other than in connection with previously granted options or derivative securities, or sell or dispose of any assets, and (b) consult with the other party prior to the issuance of any options to acquire Iron Creek Shares or Polar Star Shares, as applicable, or the entering into of any employment or other agreement that contains a "change of control" or similar provision that provides for a payment on a change of control of Iron Creek or Polar Star, as applicable.

### **About Polar Star**

[Polar Star](#) is a TSX listed exploration company with a focus on building shareholder value in Chile. Polar Star's strategy is to identify large, potential copper/gold systems and carry out initial work to establish strong technical fundamentals and thereafter bring in major joint venture partners.

Polar Star is actively exploring its flagship project, Montezuma, through a joint venture with a subsidiary of Newmont Mining. The Montezuma project is located immediately to the south of Codelco's Chuquicamata and Ministro Hales mines, near the town of Calama, in northern Chile. Additionally, Polar Star has formed a strategic alliance by entering into a joint venture agreement with a subsidiary of BHP Billiton, which is currently evaluating several large blocks of tenement along the main porphyry copper belt in northern Chile.

Polar Star also has important passive investments in Kairos Capital Corporation that has exploration properties in Chile, and Xtract Resources Plc that has an operating copper-gold mine in southern Chile and interests in a phosphate project in northern Chile.

### **About Iron Creek**

[Iron Creek](#) is a Vancouver-based exploration company focused on the acquisition and exploration of world-class mineral systems in Chile and elsewhere. Iron Creek's business model is that of prospect generator, with a view to building wealth by growing its property portfolio and generating income by farming out its properties in exchange for a combination of retained interests, cash payments, advance royalties and NSR production royalties over time.

Iron Creek has assembled a portfolio of high-quality exploration projects prospective for copper, gold and silver mineralization, covering more than 120,000 hectares of exploration tenement along proven mineral belts in northern Chile. All Iron Creek projects have relatively easy access, with several key projects being located close to major road infrastructure.

Iron Creek has a strong management team with many decades of combined experience in Chile and Latin America, led by Tim Beale (President), Michael Winn (CEO) and John Davidson (Exploration Manager).

Iron Creek has optioned its largest 50,000 hectares property, Las Pampas, prospective for high-grade precious metals veins, to a subsidiary of Kinross Gold Corp. Other key projects are available for option or joint venture. Iron Creek also retains an uncapped 2% NSR royalty over an additional 45,000 hectares of exploration ground highly prospective for copper and precious metals mineralisation at Victoria in northern Chile.

### **About The Combined Company (Newco)**

Once the merger is complete, Newco will control approximately 330,000 hectares of highly prospective exploration ground in northern Chile, making it one of the principal holders of tenement in Chile. The company will have existing option and joint venture agreements with Kinross Gold (Las Pampas option agreement), Newmont Mining (Montezuma joint venture agreement), and BHP Billiton (Blocks 2, 3 & 4 joint venture agreements). The focus of exploration is on major discoveries for copper, gold and silver, with all exploration tenement being strategically located along some of the world's most productive mineral belts.

Both companies have similar "prospect generator" business models, with a focus on building a land-play of prospective properties and inviting competent partners to farm-in through option or joint venture agreements, and consequently de-risking the exploration business for their shareholders. This business model will be continued in the merged company.

Newco will have a strong institutional shareholder base in the US, Canada and the UK; a strong treasury of approximately \$3M; a small office and technical team based in Santiago, Chile; and a corporate presence based in Vancouver.

Management of Newco will be led by Tim Beale (President & CEO); John Davidson (Exploration Manager,

Chile); David Miles (CFO); Kim Casswell (Corporate Secretary); and Chiara Orrigoni (Investor Relations Manager). The company will be governed and supported by a combined Board of Directors with a wealth of experience in the exploration, mining, and financial sectors, and with a history of highly successful ventures.

Colin Bird, President and CEO of Polar Star said of the proposed merger: "The best mergers are made from strength and not weakness and this proposed merger combines two companies at varying stages of their evolution but with a common focus. Polar Star is committed to Chile and its potential, as is Iron Creek. The underlying strength lies with the quality of the combined assets and the combination of major joint venture partners and own assets for exploration. The latter directed the Polar Star Board to the decision to merge, recognising the strength of the Iron Creek technical team and not wishing to embark upon more ground acquisition and employment of its own technical team. Polar Star is committed to this transaction and looks forward to working with Iron Creek to unlock shareholder value from what will become a unique and highly prospective company."

Tim Beale, President of Iron Creek said of the proposed merger, "This is a truly transformative deal for Iron Creek and its shareholders. This year, Iron Creek management and directors have taken a series of decisions that will allow the company to grow and become more sustainable, and increase the chances of discovery success for its shareholders. We have completed a significant private placement financing, signed an option agreement with Kinross Gold, completed the acquisition of several new properties from Minera Fuego, and now with the friendly merger between Iron Creek and Polar Star, the new company will be one of the principal "go-to" companies with prospective ground in Chile. The existing agreements with major mining companies give Newco a very solid foundation, with plenty of opportunities for further option and joint venture agreements on other properties within the combined portfolio. The merged company will have a solid financial footing allowing it to look for further opportunities with confidence. This is an exciting time for both companies and their respective shareholders."

#### ON BEHALF OF THE BOARDS

Colin Bird, President & CEO  
Timothy J. Beale, President

*Neither the TSX, the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.*

#### **Forward-Looking Statement**

*This news release contains certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address events or developments that Iron Creek and Polar Star expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "indicate" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although Iron Creek and Polar Star believe the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Such forward-looking information includes statements regarding the ability of Iron Creek and Polar Star to settle the terms of, execute and deliver a definitive agreement, the current intention to enter into the Transaction generally, and the anticipated components and benefits of the Transaction.*

*Factors that could cause the actual results to differ materially from those in forward-looking statements include the risk that the parties will be unable to complete their due diligence, arrive at a definitive agreement on a timely basis or at all, obtain any necessary shareholder and regulatory or other approvals, and satisfy or waive the other conditions contemplated by the Letter of Intent, and, if the Transaction was to be completed, the risk that the parties will be unable to realize on the anticipated benefits of the Transaction. Both parties also face continuing risk in their ongoing operations and risks posed by general economic, market or business conditions. Investors are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of Iron Creek's and Polar Star's management on the date the statements are made. Iron Creek and Polar Star undertake no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, except as required by law.*

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