

# Marengo to Commence New Drilling Campaign and Enters Into New Financing Agreement With Its Major Shareholder in Support of Continued Operations

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TORONTO, ONTARIO -- (Marketwired - Nov. 17, 2014) - [Marengo Mining Limited](#) ("Marengo" or the "Company") (TSX:MRN) (ASX:MMC) (POMSoX:MMC) is pleased to announce that the Company (together with its wholly-owned subsidiaries, Marengo Mining (PNG) Limited and Yandera Mining Company Limited, collectively, the "PNG Subsidiaries") has signed a debenture purchase agreement (the "Agreement") setting out the terms for a financing with its major shareholder, Sentient Executive GP IV, Limited for the General Partner of Sentient Global Resources Fund IV, L.P. (collectively, "Sentient"). The financing set out in the Agreement will support increased exploration activity and ongoing operations of the Company.

The use of proceeds will primarily be for a new drilling program, operations, working capital and general corporate purposes. The Company has previously described efforts to increase geological knowledge of the site and is pleased to report that this work has resulted in the identification of drilling targets which the Company will now pursue. As contractors are immediately available, and a rig remains mobilized on the site, the Company intends to begin drilling these targets immediately.

Pursuant to the terms of the Agreement, the Company, the PNG Subsidiaries and Sentient have agreed to a transaction (the "Transaction") pursuant to which the Company and the PNG Subsidiaries will issue and sell to Sentient 9.0% senior unsecured convertible debentures up to a principal amount of US\$7,500,000 (the "Debentures"). The Debentures will mature on June 30, 2017 (the "Maturity Date").

The principal amount of Debentures to be purchased by Sentient shall be reduced by the principal amount of any Debentures or the number of common shares of Marengo sold to third parties pursuant to financings on or before the date of issuance of Debentures. The aggregate principal amount of the Debentures will bear interest from and including the date of issuance at the rate of 9% per annum, payable on the Maturity Date.

The Debentures will be convertible, at the option of Sentient, into common shares or Chess Depositary Interests ("CDIs") of the Company at a conversion price of CDN\$0.01 per common share or CDI. The conversion price of the Debentures will be adjusted in the event there is a reorganization of capital or an issue of new common shares below the conversion price. The Debentures will be jointly issued by the Company and the PNG Subsidiaries and will be guaranteed by Marengo Mining (Australia) Limited and Yandera Mining Company (Holdings) Pty Limited (both wholly-owned subsidiaries of the Company). The conversion price for existing outstanding Debentures will also adjust, pursuant to the terms of prior debenture financings between the Company and Sentient completed in 2013 and earlier this year (the "Prior Financings"), to CDN\$0.01 per common share or CDI.

Sentient and its related entities currently hold approximately 22% of the issued and outstanding common shares of the Company and would hold approximately 88% of the common shares of the Company, assuming the conversion of all the Debentures issued in connection with the Transaction and the conversion by Sentient of all debentures issued and issuable under the Prior Financings. The Company, the PNG Subsidiaries and Sentient have entered into a waiver and deferral arrangement pursuant to which Sentient agreed to (i) waive its right to receive payment of interest on each previously agreed semi-annual interest payment date in respect of the debentures issued in the Prior Financings; and (ii) defer receipt of all such accrued interest payments until the maturity date of such debentures, being June 30, 2016.

The Transaction is subject to approval of the shareholders of Marengo, the Toronto Stock Exchange ("TSX") and the Australian Securities Exchange ("ASX"). The Company is currently preparing a notice of meeting to seek shareholder approval for the issuance of the Debentures and expects to mail meeting materials to shareholders in connection with its scheduled annual and special meeting of shareholders.

Assuming they fulfill certain conditions precedent, including receipt of shareholder and TSX and ASX approvals, Sentient and Marengo plan to complete the issuance of the Debentures in December, 2014.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any ordinary shares

within the United States. The ordinary shares have not been offered and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, the ordinary shares may not be offered or sold in the United States or to U.S. persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration are granted.

### **Cautionary Statement Regarding Forward-Looking Information**

*This news release contains forward looking information. Such forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or to be achieved and any other similar expressions. In providing the forward-looking information in this news release, the Company has made numerous assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) that the results of the feasibility study continue to be positive; and (iv) that future exploration results are as anticipated. Management believes that these assumptions are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking information, a change in the expected use of proceeds of the Transaction. Some of these risks, uncertainties and other factors are described under the heading "Risks Factors" in the Company's annual information form available on the SEDAR website. Forward-looking information is based on estimates and opinions of management at the date the statements are made. Except as required by law, Marengo does not undertake any obligation to update forward-looking information even if circumstances or management's estimates or opinions should change. Readers should not place undue reliance on forward-looking information.*

*Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include the actual results of exploration activities, changes in market conditions, risks relating to international operations, fluctuating metal prices and currency exchange rates, and other risks of the mining industry. Although Marengo has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Marengo undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if the property is developed. Reference is made to the most recent annual information form of Marengo filed with Canadian securities regulators which includes further discussion of the risk factors which may impact the business and operations of Marengo.*

*Scientific and technical information in this report including that relating to drilling intercepts and mineralization were prepared by Mr. John Mears. Mr. Mears is a Member of the Australasian Institute of Mining and Metallurgy and a full-time consultant of Marengo Mining Limited. Mr. Mears has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Mr. Mears consents in writing to the issue of this report, to the extent of matters based on his information in the form and context in which it appears.*

*Except to the extent not set out herein, for a (i) summary description of rock types, geological controls and dimensions of mineralized zones, and the identification of any significantly higher grade intervals within a lower grade intersection; (ii) a summary of the relevant analytical values, widths and, to the extent known, the true widths of the mineralized zones; (iii) a summary description of the geology, mineral occurrences and nature of the mineralization found; and (iv) a summary description of the type of analytical or testing procedures utilized, sampled, sample size, the name and location of each analytical or testing laboratory used and any relationship of the laboratory to the issuer please refer to the Company's technical report filed on SEDAR and dated November 9, 2007. There is no drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to herein.*

*For further information on the Project and the resources contained therein, please refer to the Company's Canadian NI 43-101 and Australian JORC technical report "Yandera Copper Project, Madang Province, Papua New Guinea" (dated April 2012) which is available on the Company's website and at the (Canadian) SEDAR website.*

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