

Mediterranean Announces Proposed Sale of Turkish Subsidiary Akdeniz

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 15, 2015) - [Mediterranean Resources Ltd.](#) (the "**Company**") (NEX BOARD:MNR.H)(PINKSHEETS:MNRUF) announces that it has entered into a Share Purchase Agreement dated January 13, 2015 (the "**Purchase Agreement**"), whereby the Company has agreed to sell its remaining 80% interest in Akdeniz Resources Madencilik A.S. ("**Akdeniz**") to Cengiz Kaya (the "**Purchaser**"), a director of Akdeniz and a director of the Company's joint venture partner, Çeka Insaat ve Sanayi Ticaret A.S., a Turkish corporation ("**Çeka**"), for gross proceeds of \$9 million. Akdeniz holds the Company's sole material asset, the Yusufeli Property (the "**Property**"), located in north-eastern Turkey, that includes the Company's flagship Taç and Çorak deposits. All monetary amounts stated in this release are stated in Canadian dollars.

As stated in its December 18, 2014 news release, the Company entered into a Letter of Intent dated December 17, 2014 (the "**JV Agreement**") with Çeka to form a joint venture to advance and develop the Property. Immediately following the signing of the JV Agreement, the joint venture partners re-commenced development on the Property by engaging qualified consultants to complete a prefeasibility study and a mining report, both of which are required under Turkish law to obtain a necessary Environmental Impact Assessment Permit. As required under the JV Agreement, Çeka also advanced funds to cover salaries, taxes and necessary permit costs to keep Akdeniz's licenses in good standing.

At the beginning of 2015, political risks for resource companies in Turkey continued to escalate. A local administrative court suspended the works of a copper mine in the same province as the Property. The government also suspended the construction of a coal plant near the Aegean Sea. Around this time, the Company was informed that it had been denied approval for its proposed plan to develop a barge and alternative road to protect its Taç and Çorak deposits from flooding. As mentioned in the Company's Preliminary Economic Assessment authored by SRK Consulting (Canada) Inc. and dated June 14, 2011, the "ultimate level of the impounded water would be above the level of the road connecting Taç and the mill site at Çorak and would be above the edge of the Taç pit causing it to flood unless a retaining structure is built." The report also stated that "the dam is projected to take six years to build and another two years to fill with water." Thus it was anticipated that the Company had until 2019 to mine the project. The Company and Çeka had developed a plan to extend this deadline and obtain ministerial approval for its proposed retaining structure, but the Company's inability to make any progress with respect to the development of the Property for several years weighed heavily on the government's decision to reject the plan. These mounting political issues have caused a disconnect between Çeka and the Company regarding the best way forward for the advancement of the property and, as a result, the two parties could not reach agreeable terms for turning the JV Agreement into a definitive agreement.

Management met with the Company's board of directors and considered all the available options for the Property in light of the political changes and current economic market for gold and mining companies in general. The management and board of the Company are not comfortable with the risks of having to secure the substantial capital requirements to advance the Property on an accelerated timeline and the corresponding dilution of its interest in Akdeniz under the JV Agreement if it is unable to do so. Similarly, management and the board are not prepared to expose the Company to the added risks that an accelerated timeline may bring, which timeline may run counter to prudent and careful operational planning, controls and best practices. The current hardships for juniors in advancing capital intensive mining properties played a large role in the Company's decision to sell substantially all the assets of the Company. It was determined that if the Company could receive a fair price for its assets, it would be left in a much stronger position to increase shareholder value by having cash on hand to take advantage of the current buying opportunities in the commodities market.

"The joint venture with Çeka started well," said the Company's President and CEO Robert Abenante. "In fact, had Çeka not made timely payments on the Company's behalf, prior to signing the joint venture, it is likely the Company would have lost its licenses. Unfortunately, the mounting political risks have led Çeka to believe that an even more aggressive development schedule is the solution. Given the growing concerns

around the political climate, we believe the Property has a better chance of succeeding with a domestic owner who has better access to capital. We continue to believe the Property has tremendous potential, but given our financial position, the early stage of the Property and the political climate, we believe we are much better off selling the Property to Mr. Kaya."

The Company has entered into the Purchase Agreement, whereby the Company has agreed to sell its remaining interest (80%) in Akdeniz to the Purchaser. The total purchase price is \$9 million, \$7 million of which is to be paid upon closing and \$2 million of which is to be paid 6 months after commissioning of the operating facility to process ore from the Property. The purchase price will be reduced by the approved contributions Çeka has made towards the Property in connection with the JV Agreement and the advances made to cover certain debts of Akdeniz, which total \$647,217 and \$1,747,075, respectively. The Company anticipates that net proceeds of the purchase price will be \$6,605,708. The Purchaser has put up a \$4.6 million bond as security for the transaction until it closes. The closing of the Purchase Agreement is subject to TSX Venture Exchange approval, applicable corporate laws and conditional upon the Company obtaining shareholder approval for the sale of its remaining stake in Akdeniz. The Company is scheduled to hold a special meeting on February 19, 2015 and has set the record date for the meeting as January 19, 2015. Only persons who are registered shareholders as of the close of business on January 19, 2015 will be entitled to vote at the meeting.

The Company has continued to strengthen its balance sheet by negotiating settlements with its past creditors and proceeding with its previously announced private placement. Management has been and continues to scrutinize all debt, especially the amounts claimed by prior management so that the Company's cash position is preserved. The Company has received TSX Venture approval of several shares for services agreements announced in the Company's news release dated December 18, 2014.

The Company has issued a total of 846,000 common shares with respect to the shares for services agreements previously announced. The common shares have a hold period of four months and one day which expires on May 1, 2015. The Company continues to proceed with its proposed \$0.25 private placement also announced on December 18, 2014 to, among other things, meet the conditions of restructuring arrangements with creditors.

In a final comment, Mr. Abenante said, "Although management is disappointed that we will not be able to develop this asset, it is clear that the sale is in the best interest of the Company and its shareholders. When our management group took over the Company in May 2014, the Company was burdened by debt and subject to a Cease Trade Order rendering it unable to raise capital and develop its Property. We have come a long way in restructuring the Company and the proposed sale of the Property is the next step to generating cash so that viable business opportunities with a lower risk profile can be pursued. The sizeable reductions taken by our creditors and our share price, which was trading at a discount to the announced private placement at the time negotiations were taking place with the Kaya's, is a testament to the market conditions for junior mining companies today. Our efforts to strengthen the Company's balance sheet and the closing of this sale are anticipated to leave the Company in a very strong position to take advantage of the current opportunities in the commodities market."

Signed on behalf of the Board of Directors.

Robert Abenante, Chairman, President & CEO

This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation, including the ability of the Company to close the Purchase Agreement, to close the private placement, to identify and consummate the acquisition of one or more new business opportunities from closing proceeds of the Purchase Agreement, to obtain TSX Venture and shareholder approval of the proposed sale and to enter into additional debt settlement agreements with creditors. Important factors that could cause actual results to differ materially from the Company's expectations include the Purchaser's ability to close the Purchase Agreement, market and commodity fluctuations in general and other factors outside the control of the Company in addition to those factors disclosed in the Company's documents filed from time to time on SEDAR (see www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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