

Starcore & Cortez Gold to Amalgamate

28.04.2015 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Apr 28, 2015) - [Starcore International Mines Ltd.](#) ("Starcore" or the "Company") (TSX:SAM) is pleased to announce the signing of a letter of intent with [Cortez Gold Corp.](#) ("Cortez") (TSX VENTURE:CUT) (the "LOI") that would see Starcore acquire all of the outstanding securities of CUT in an all-share transaction (the "Transaction") to be completed pursuant to a court approved Plan of Arrangement under the *Business Corporations Act* (British Columbia). Under the terms of the planned acquisition, each CUT shareholder would receive three Starcore common shares for every one CUT common share held.

Cortez owns the Altiplano gold and silver processing plant in Matehuala, Mexico.

Highlights of the Acquisition

The proposed Transaction will enable the two companies to realize synergies between their operations.

- CUT's mineral processing business owned by its wholly-owned Mexican subsidiary will expand Starcore's business in Mexico, giving Starcore a turnkey processing plant designed to process lead and copper concentrates along with extracting gold and silver.
- With the amalgamation, CUT broadens its range of potential financial partners as it avails itself of Starcore's credit history and performance. CUT's processing business requires financial backing in order to grow.
- CUT's processing plant will provide Starcore with a steady source of revenue.

In addition, CUT's shareholders will be able to participate in all of Starcore's properties and business. Starcore is larger and well capitalized with cash holdings of approximately \$5.3 million.

Acquisition Terms

The LOI provides that CUT shareholders will be entitled to receive three (3) common shares of Starcore (a "Starcore Share") for one common share of CUT (the "CUT Shares") held by such CUT shareholders (the "Exchange Ratio"), subject to adjustment, pursuant to a plan of arrangement under the *Business Corporations Act* (British Columbia) (the "Arrangement"). In addition, each holder of the outstanding common share purchase warrants of CUT (the "CUT Warrants") will receive such number of replacement warrants of Starcore (the "Starcore Warrants") based upon the Exchange Ratio, and the exercise price of the replacement Starcore Warrants will be adjusted based upon the Exchange Ratio.

Currently, there are 9,555,850 CUT Shares and 3,415,250 CUT warrants outstanding. In connection with the Transaction, Starcore will issue approximately 28,667,550 Starcore Shares and 10,245,750 common share purchase warrants exercisable at \$0.13 and \$0.25, and expiring in January, February and March of 2016.

Following completion of the Transaction, former CUT shareholders would hold approximately 15.87 % of the outstanding Starcore Shares.

The Transaction is subject to the execution of a definitive Arrangement Agreement. The definitive agreement will include covenants, representations and warranties customary for transactions such as the Transaction, as well as deal protection measures and provisions for exclusive dealing similar to those contained in the LOI. CUT expects to execute a definitive agreement in respect of the Transaction within 30 days.

Approvals Required

The Transaction will be subject to the approval of the Supreme Court of British Columbia, the TSX and the TSX Venture Exchange. Completion of the Transaction is further subject to the approval of at least two-thirds of the votes cast by the holders of CUT Shares and CUT Warrants voting together as a class and who are present and voting at a special meeting of CUT securityholders to be called to consider the Transaction.

Deal Protection Measures

The Letter of Intent includes deal-protection provisions in favour of Starcore, including a non-solicitation covenant from CUT (except for certain unsolicited approaches) and a break fee upon signing the definitive agreement of C\$250,000 if, following an unsolicited superior proposal, CUT wishes to pursue that proposal.

If the definitive agreement is terminated by Starcore, a break fee will be due to CUT in the form of Starcore completing a \$250,000 private placement for common shares of CUT at the minimum subscription price allowed by TSX Venture Exchange policies.

Voting lock-up agreements

Pursuant to the Letter of Intent, CUT has agreed to seek voting agreements from directors, officers and shareholders holding in aggregate a minimum of 25% of the outstanding shares of CUT as a condition to the execution of the definitive Arrangement Agreement.

Board approvals

The Board of Directors of each company has approved the terms of the Transaction. Of the six current directors of CUT, three are also directors of Starcore (being each of Robert Eadie, Gary Arca and Federico Villaseñor). CUT has established a special committee comprised of three independent directors.

About Starcore

Starcore is engaged in exploring, extracting and processing gold and silver through its wholly-owned subsidiary, Compañía Minera Peña de Bernal, S.A. de C.V., which owns the San Martin mine in Queretaro, Mexico. The Company is a public reporting issuer on the Toronto Stock Exchange. The Company is also engaged in owning, acquiring, exploiting, exploring and evaluating mineral properties, and either joint venturing or developing these properties further. The Company has interests in properties located in Mexico, Canada and the United States.

About Cortez Gold Corp.

[Cortez Gold Corp.](http://www.cortezgoldcorp.com) is a Canadian precious metals production company, incorporated in 2007, headquartered in Vancouver, with operations in Mexico. Cortez offers a low-risk gold processing business model that will generate cash flow, and provide low processing charges and efficient payment schedules to compete with larger scale smelters. Visit www.cortezgoldcorp.com for more information.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. When used in this press release, the words "plan," "expect," "believe," and similar expressions generally identify forward-looking statements. These statements reflect our current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in market conditions. Factors that could cause future events to differ from those anticipated in forward looking statements include: inability to negotiate a definitive agreement for the CUT transaction; delays in obtaining, or inability to obtain, required approvals, including the approval of the TSX Venture Exchange, TSX or shareholders of CUT; and other factors that could cause the Company's actual results, performance or achievements to be materially different from those expressed or implied by such information. Although the Company has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in forward-looking information, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, any proposed transaction could be modified, restricted or not completed, and the results or events predicted in these forward looking statements may differ materially from actual results or events. Accordingly, readers should not place undue reliance on forward-looking information.

ON BEHALF OF STARCORE INTERNATIONAL MINES LTD.

Robert Eadie

President & Chief Executive Officer

The Toronto Stock Exchange has not reviewed nor does it accept responsibility for the adequacy or accuracy of this press release.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/198392--Starcore-und-Cortez-Gold-to-Amalgamate.html>

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