

CB Gold Inc. Reconfirms Unanimous Support for Batero Offer, and Rejection of Red Eagle's Extended Hostile Offer

05.08.2015 | [Marketwired](#)

VANCOUVER, BC--(Marketwired - August 05, 2015) - [CB Gold Inc.](#) (TSX VENTURE: CBJ) ("CB Gold" or the "Company") notes the extension of the hostile offer from [Red Eagle Mining Corp.](#) ("Red Eagle") and reaffirms its unanimous board support of the cash and share offer announced by [Batero Gold Corp.](#) ("Batero"). The Company's board of directors unanimously recommends that CB Gold shareholders REJECT Red Eagle's hostile offer and NOT TENDER their common shares, and that any CB Gold shareholders who have previously tendered their shares into Red Eagle's offer WITHDRAW them immediately. The Company's board of directors unanimously recommends that shareholders TENDER IN FAVOUR of the Batero offer (the "Batero Offer").

The Batero Offer was announced on July 23, 2015 and is supported by an agreement between the Company and Batero dated July 23, 2015 (the "Support Agreement") as well as lock-ups signed by CB Gold shareholders representing 19.5% of CB Gold's shares. As announced, the Batero Offer is for a combination of C\$0.0275 in cash plus 0.3056 of a Batero Common. The combination of cash and shares offered by Batero values CB Shares at C\$0.05 representing a premium of 44% to the closing price of CB Gold common shares on the TSX Venture Exchange ("TSX-V") on July 23, 2015.

Transaction Rationale

The Board of Directors and Special Committee of CB Gold, after consultation with their advisors, have each unanimously determined that the Batero Offer (as opposed to the Red Eagle Take Over Bid ("RE Bid") made on June 29, 2015) is superior and in the best interests of CB Gold and its shareholders. The Board of Directors and Special Committee support the Batero Offer for reasons including the following:

- **Batero's Superior Proposal:** The Batero Offer provides a 44% premium to CB Gold closing price on July 23, 2015 (or \$0.05 per CB Gold share) while the RE Bid provides only a 32% premium to CB Gold closing price on July 23, 2015 (or \$0.046 per CB Gold share);
- **Batero's Cash Commitment:** Batero offered CB Gold with a \$575,000 financing (closed on July 24, 2015) whereas Red Eagle has explicitly declined to provide any interim financing pending closing of the transaction;
- **Batero Offer Increased Value Certainty:** The 55% cash component of Batero's offer provides CB Gold's Shareholders increased certainty in the value of the transaction as opposed to the RE Bid which is a share-only offer.
- **Using Red Eagle's closing price on August 4, 2015, the \$0.0275 cash component offered by Batero (which is in addition to the 0.3056 Batero shares being offered for each CB Gold share), equals 61% of the value offered by the RE Bid.**
- **RE Bid undermines shareholders interest:** The Red Eagle share offer of approximately C\$8 million fails to adequately compensate CB Gold shareholders for the significant value of the Company's flagship Vetas Gold Project (the "VGP").
- **The VGP is located within the prolific Vetas-California mining district of Colombia, just eight kilometres from a multimillion-ounce resource and where property consolidation opportunities have the potential to unlock significant shareholder value.**
- **Batero Superior Execution:** Batero intends to focus a significant portion of its technical and financial resources to advance the Vetas Gold Project. Batero had cash of approximately \$12 million as of May 31, 2015. The combined company will continue to benefit from the technical expertise and financial strengths of the Navarro-Grau Group. The Navarro-Grau Group controls Consorcio Minero Horizonte, which has had a strategic alliance with Batero since 2012. The Navarro-Grau Group of companies has 36 years of experience in the exploration, development and operation of underground narrow-vein deposits in Peru. The group has been expanding in Colombia over the last five years and is committed to the mining sector in the country.
- **Red Eagle provides no clear development plans for the Vetas Project and may simply be acquiring the Vetas Project to warehouse it until commodity markets improve on a macro-economic scale.**
- **Red Eagle funding is tied to developing its own assets and Red Eagle does not appear to have the financial strength to support CB Gold and to satisfy CB Gold's near-term liabilities.**

- Highly conditional RE Bid: The Red Eagle offer is highly conditional for the benefit of Red Eagle, resulting in substantial uncertainty for CB Gold shareholders as to whether Red Eagle will acquire any CB Gold shares under the Red Eagle offer. These conditions must be satisfied or waived before Red Eagle is obliged to take up any CB Gold shares tendered under the Red Eagle offer. The wide range of discretionary conditions, which the CB Gold board equates to a due diligence condition, would permit Red Eagle to walk away from the offer without providing CB Gold shareholders with any value at all.

Fabio Capponi, President and CEO, stated, "Batero's proposal is clearly superior to Red Eagle's offer in terms of the premium provided, the cash value of within the offer, and the development prospects of the Vetas Gold Project for the benefit of CB Gold shareholders. Batero's proposal: includes a substantial cash component while Red Eagle's offer is a paper offer; it provides CB Gold's shareholders with 44% premium against 32% offered by Red Eagle; it values the Company over \$9 million while Red Eagle offer just above \$8 million; it provides CB Gold's shareholders with better upside potential as Batero is backed by a world-class gold, low cost producer while Red Eagle has yet to prove any operational skills in either Colombia or this challenging development market; and it shields the Company's shareholders from massive dilution. All these features, among others, provide CB Gold shareholders with clear and tangible evidence to support the Batero Offer and reject the hostile Red Eagle offer".

Recommendation in favour of the Batero Offer

As previously announced, the Company's board of directors unanimously recommends that shareholders TENDER IN FAVOUR of the Batero Offer when it is made. At the current time, the Company has signed a Support Agreement with Batero, confirms that approximately 19.5% of the Company's shares have agreed to be locked up in favour of the Batero Offer, and looks forward to receiving the strong premium Batero Offer which provides a combination of cash and Batero shares to CB Gold shareholders. CB Gold's board of directors has determined that the terms of the Batero Offer are superior to the hostile Red Eagle offer and that the Batero Offer will be in the best interests of shareholders.

Rejection of previously announced Red Eagle Offer

As announced on July 14, 2015, the Company's board of directors has voted unanimously to recommend that shareholders reject the hostile offer by [Red Eagle Mining Corp.](#) ("Red Eagle") to acquire all of the outstanding common shares of CB Gold at a price of 0.162 Red Eagle shares per CB Gold share. CB Gold's board of directors has determined that the Red Eagle offer is inadequate and not in the best interests of shareholders. The CB Gold board unanimously recommends that CB Gold shareholders REJECT Red Eagle's hostile offer and NOT TENDER their common shares, and that any CB Gold shareholders who have previously tendered their shares into Red Eagle's offer WITHDRAW them immediately.

About Batero Gold Corp.:

[Batero Gold Corp.](#) is a precious metals exploration and development Company operating in Colombia's prolific Mid Cauca gold and copper belt. The flagship project of Batero is the Quinchia Gold Project which hosts the 100% owned La Cumbre oxide deposit. Batero is exploring for extensions to the La Cumbre oxide and will make a production decision, once the appropriate level of study has been completed. The initial target is the near and at surface higher grade oxidized gold mineralization at the deposit. With C\$12.6 million in cash (*Company's Financial Statement dated February 28, 2015*), Batero is also well positioned to look for opportunities to acquire prospective high-grade, production focused, mineral properties in Colombia. In pursuing these objectives, Batero plans to leverage its secure treasury position, strong regional relationships, experienced management team, and long-term financial partners.

About CB Gold Inc.:

CB Gold is a mineral exploration company headquartered in Vancouver, British Columbia. CB Gold, through its wholly-owned subsidiary, Leyhat Colombia Sucursal, is actively pursuing the exploration and development of mineral properties in the Republic of Colombia. The Vetas Gold Project consists of a number of existing mines and exploration concessions.

For more information on CB Gold please visit our web site at www.cbgoldinc.com or contact the Company at +1 (604) 630-5870, or info@cbgoldinc.com.

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

Cautionary Note Regarding Forward-Looking Statements

Information set forth in this news release includes forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the terms and completion of the proposed sale transaction are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: failure to satisfy all conditions precedent to the transaction, including disinterested shareholder approval and stock exchange regulatory approval, and the additional risks identified in the management discussion and analysis section of the Company's interim and most recent annual financial statement or other reports and filings with Canadian securities regulators. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the respective companies undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

Contact

CB Gold

www.cbgoldinc.com

+1 (604) 630-5870

info@cbgoldinc.com

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/208009--CB-Gold-Inc.-Reconfirms-Unanimous-Support-for-Batero-Offer-and-Rejection-of-Red-Eagleund039s-Extended-Hos>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinen](#).