

Argentex Enters Into Definitive Agreement With Austral Gold

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VANCOUVER, Feb 3, 2016 - [Argentex Mining Corp.](#) ("Argentex" or the "Company") (TSX VENTURE:ATX) (OTCQB:AGXMF) is pleased to announce that, further to its news release dated August 31, 2015 and November 6, 2015, it has entered into a definitive arrangement agreement ("Agreement") on February 2, 2016 pursuant to which [Austral Gold Ltd.](#) ("Austral Gold") (ASX:AGD) has agreed to acquire all of the issued and outstanding common shares of Argentex in exchange for ordinary shares of Austral Gold ("Austral Gold Shares"). On completion of the transaction Argentex will become a wholly-owned subsidiary of Austral Gold.

The transaction (the "Transaction") is structured to be implemented by way of a court approved plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia).

Pursuant to the Agreement, Argentex shareholders (other than Austral Gold and two of its affiliates, which already own an aggregate of 19.9% of the outstanding Argentex common shares, and dissenting shareholders, if any), will receive a number of Austral Gold Shares, expected to represent approximately 7.75% of the total outstanding shares of Austral Gold after adjusting for the shares issued in the Transaction. This percentage is subject to adjustment in limited circumstances. Austral Gold has agreed to apply for a listing on the TSX Venture Exchange ("TSX-V"), with the intention that such shares will commence trading on the TSX-V as soon as practicable after the effective time of the Transaction. Austral Gold is currently listed on the Australian Stock Exchange and plans to maintain this listing. Upon completion of the Transaction, Argentex intends to de-list from the TSX-V and cease to be a reporting issuer under applicable Canadian securities laws.

The offer has an implied valuation of approximately \$CAD0.085 for each Argentex share, representing a 135% premium over spot price on the TSX-V at close on February 2 and 136% premium to ATX 20 day volume weighted average on the TSX-V at close of trading on February 2 after adjusting for shares already owned by Austral and foreign exchange rates for the same periods.

Completion of the Transaction is subject to a number of key terms and conditions including:

- Regulatory, stock exchange, court and shareholder approvals; and
- Satisfaction of listing conditions from TSX-V, so that Austral Gold Shares can commence trading on the TSX-V on or as soon as practical after the effective time of the Arrangement.

Each company has agreed to pay a termination fee of \$200,000 to the other party under certain circumstances.

Benefits to Shareholders:

- Provides Argentex shareholders ownership of a producing gold mine in a favourable jurisdiction in a market where current equity financing options for exploration companies are almost non-existent;
- Argentex shareholders will receive shares in Austral Gold with an implied value premium to the current market price of Argentex shares;
- Combined company strengthens Latin American focus, with attractive exploration portfolio in Chile and Argentina, a pipeline of development projects in Chile and Argentina and a very well run producing mine in Chile;
- Experienced exploration, development and operational team in Chile and Argentina;
- Highly successful and well connected Argentinean majority owner;

"We are excited by the prospect of merging with Austral Gold to create a platform of growth for precious metals in South America. The merger will create a company with a unique blend of operations and development projects in the Americas, with access to existing cash flow from a low cost mine in Chile, Guanaco. The company will have a highly experienced development and operational team which will be able to advance our Pingüino project with the ability to exploit other opportunities in the region. This presents a unique value proposition for our shareholders in the current market," stated Mike Brown, President and CEO

of Argentex. "We believe that the Transaction adds immediate value for our existing shareholders while providing Austral Gold with additional quality development projects, an experienced exploration team and corporate and market experience, which is reflected in the attractive premiums of the offer," concluded Mike Brown.

Mr. Eduardo Elsztain, Chairman of Austral Gold commented: "The proposed acquisition of Argentex represents another step in our objective of becoming a broad-based precious metals company and a leading regional player in South America. We have had a strategy of patiently and prudently deploying our capital to invest in projects and equity stakes in precious metals companies that we believe have considerable upside value. Argentex represents one such opportunity and we are confident that its shareholders will recognise the benefits of being part of Austral Gold. As well, we believe now is the right time to pursue a listing on the TSX Venture Exchange as this will give us access to a wider investor base in North America where our group of companies has a well-established and strong reputation. This investor base will be important as we continue to strengthen our asset base in South America. We have a number of additional opportunities we are pursuing and we look forward to updating shareholders in this regard."

In connection with the Agreement all of the directors and senior officers of Argentex, who hold shares and/or options representing an aggregate of approximately 0.89% of the issued and outstanding Argentex shares, have entered into voting agreements with Austral Gold whereby they agree to vote in favour of the Arrangement at the special meeting of Argentex shareholders to be held to consider the Arrangement, subject to the terms of the Agreement and the voting agreements. The Agreement contemplates that upon the effective time of the Arrangement all of the directors and officers of Argentex, other than Wayne Hubert, will resign from their positions in Argentex.

This news release provides only a summary of the terms of the Agreement - a copy of the Agreement will be filed on SEDAR.

Advisors and Counsel

Clark Wilson LLP acted as counsel to Argentex, and Primary Capital provided the fairness opinion. Zang, Bergel & Viñes Abogados and Bennett Jones LLP acted as counsel to Austral Gold, and Red Cloud Mining as financial advisor. Primary Capital has provided a verbal opinion to the special committee of the board of directors of Argentex, which based upon and subject to the limitations contained in the fairness opinion, and other such matters Primary Capital has considered relevant, the terms of the Arrangement (pursuant to which Austral Gold would acquire Argentex) are fair from a financial point of view to the Argentex shareholders.

About Austral Gold

[Austral Gold Ltd.](#) is listed on the Australian Securities Exchange (ASX:AGD) and is a growing precious metals mining and exploration company building a portfolio of assets in South America. The Company's flagship Guanaco project in Chile is a low-cost producing mine with further exploration upside. With an experienced and highly regarded major shareholder, Austral Gold is strengthening its asset base by investing in new precious metals projects in Chile and Argentina that have near-term development potential. For more information, please consult the company's website www.australgold.com.au.

About Argentex

[Argentex Mining Corp.](#) is an exploration company focused on advancing its Pingüino silver-gold project in Santa Cruz, Argentina. In total, Argentex owns 100% of the mineral rights to more than 27 properties located within approximately 107,000 hectares of highly prospective land located in the Santa Cruz and Rio Negro provinces.

Shares of Argentex common stock trade under the symbol ATX on the TSX Venture Exchange and under the symbol AGXMF on the OTC PINK. In addition, Argentex intends to file a Form 15 with the United States Securities and Exchange Commission (the "SEC") terminating its registration under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Thereafter, Argentex intends to rely on the registration exemption provided by Section 12g3-2(b) of the Exchange Act and the rules of the SEC promulgated thereunder.

Neither 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 release.

On behalf of [Argentex Mining Corp.](#):

Michael Brown
President and CEO

Statements in this news release that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "plans", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import also identify forward-looking statements. Forward-looking statements in this news release include; the proposed Transaction involving the business combination of Austral Gold and Argentex, the implied valuation of the share consideration, the enterprise valuation of Argentex, that Argentex shareholders will receive approximately 7.75% of the total outstanding shares of Austral Gold after adjusting for the shares issued in the Transaction, that upon completion of the Transaction, Argentex intends to de-list from the TSX-V and cease to be a reporting issuer under applicable Canadian securities laws, that Austral Gold will apply for a listing on the TSX Venture Exchange and that such shares will commence trading on the TSX Venture Exchange as soon as practicable after the effective date of the transaction, anticipated benefits to Argentex shareholders, including providing ownership of a producing gold mine in a favourable jurisdiction, receipt of Austral Gold shares with an implied value premium to the current market price of Argentex shares, combined company strengthening Latin American focus, and benefits from experienced exploration, development and operational team in Chile and Argentina, that the merging with Austral Gold will create a platform of growth for precious metals in South America, that the Transaction will create a company with a unique blend of operations and development projects in the Americas, with access to existing cash flow, that Austral Gold will have a highly experienced development and operational team which will be able to advance Argentex's Pinguino project, that the Transaction adds immediate value for Argentex's existing shareholders while providing Austral Gold with additional quality development projects, an experienced exploration team and corporate and market experience, Austral Gold's objective of becoming a broad-based precious metals company and a leading regional player in South America, that Argentex represents an opportunity with considerable upside value, Austral Gold's confidence that Argentex shareholders will recognize the benefits of being part of Austral Gold, Austral Gold's belief that listing on the TSX Venture Exchange will give it access to a wider investor base in North America and the importance of this investor base, Austral Gold updating shareholders on additional opportunities that it is pursuing.

Actual results may differ materially from those currently anticipated due to a number of factors beyond our control. These risks and uncertainties include, among other things, but not limited to: failure to satisfy the conditions precedent to completing the Transaction; inaccuracy, incompleteness or omissions in any of the financial and other information upon which management bases its analysis of the Transaction; the failure to realize the anticipated benefits of Transaction, including the failure of Austral Gold to achieve anticipated future financial, structural, growth and operating performance. Other risks are described in our public disclosure documents filed on the SEDAR website maintained by the Canadian Securities Administrators and the EDGAR website maintained by the Securities and Exchange Commission.

Contact

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