

Red Hut Metals Proceeds With Transaction to Acquire Providence Mines in California

16.06.2017 | [Marketwired](#)

VANCOUVER, June 16, 2017 - [Red Hut Metals Inc.](#) (the "Company" or "Red Hut") (TSX VENTURE:ROB) is pleased to announce that with the closing of the part-and-parcel private placement on June 6, 2017, the Company has proceeded to close on the transaction to acquire an interest in the Providence Gold Mines in the Summerville Mining District, Tuolumne County, California (the "Transaction"). (See press releases of February 23rd, March 1, April 5 and May 3, 2017.)

The Transaction

The Company signed an Agreement with 0999940 BC Ltd., a private B.C. Company (the "Assignors"), whereby Red Hut can acquire by way of assignment all of the contractual interests held by the Assignors in the Providence Mines and various patented and located mineral claims in Tuolumne County, California (the "Property").

The Assignors had negotiated the general terms and provisions whereby they can earn a 50% joint venture interest in the Property, or alternatively buy a 100% interest in the Property.

As consideration for the assignment, Red Hut agreed to assume all of the Assignors' obligations to the Property owner, and has made the first cash payment of US\$25,000 and issued 1,500,000 Red Hut shares to the Assignors. Future commitments are as follows:

- Following completion of the first year work program of at least C\$250,000, Red Hut will issue an additional 1,500,000 Red Hut shares to the Assignors;
- Following completion of the second year work program of at least C\$750,000, Red Hut will issue an additional 1,500,000 Red Hut shares to the Assignors;
- In the event that Red Hut elects to acquire 100% the Property for US\$5 million, Red Hut will issue an additional 1,500,000 Red Hut shares to the Assignors.

To earn a 50% interest in the Property, Red Hut must make total payments of US\$150,000 and incur at least C\$2,000,000 of expenditures on the Property over the course of three years. The Company has made the first cash payment to the Property owners of US\$25,000. Future commitments to the Property owners are as follows:

- payment of US\$25,000 and incurring C\$250,000 of expenditures on the Property by March 28, 2018;
- payment of US\$100,000 and incurring an additional C\$750,000 of expenditures on the Property by March 28, 2019; and
- incurring an additional C\$1,000,000 of expenditures on the Property by March 28, 2020.

When Red Hut has earned a 50% interest in the Property, a joint venture will be formed with the Property owner. Alternatively, a 100% interest in the Property can be acquired for US\$5,000,000, at any time, of which one-half can be paid in Red Hut shares.

In either event, the Property owner will retain a 2.5% net smelter returns royalty ("NSR"), of which 1.5% NSR can be acquired for US\$1,000,000 if the option to acquire a 100% interest in the Property is exercised.

Private Placement Completed

In conjunction with the Transaction, the Company received regulatory acceptance and closed its private placement, raising \$960,000 in gross proceeds (the "Financing") through the issuance of 9,600,000 units (the "Units") at a price of \$0.10 per Unit. (See press release of June 6, 2017.) The Company wishes to correct the aggregate number of securities issued as finders' fees related to this Financing. The securities issued to

Mackie Research Capital Corporation as finders' fees for the portion of the financing attributable to their efforts were 585,200 common shares and 585,200 warrants containing the same terms as the Warrants attached to the Units comprising the Private Placement.

About the Property

The Providence Group of Mines is located in the Summerville Mining District, Tuolumne County, California, upon the eastern belt of the "Mother Lode" District. A number of high grade, well known Motherlode gold mines are found within this belt. The Property has a rich history of gold mineralization. An NI 43-101 compliant report entitled Technical Report on the Providence Gold Mines Property, Tuolumne County, California" dated April 24, 2017 by John P. Kowalchuk, BSc., P. Geo. can be viewed on SEDAR and on the Company's website at www.redhutmetals.com

The Property includes six parcels which have been fully patented and are owned in fee simple, and 22 staked mining claims on Bureau of Land Management and US Forest Service property (320 acres). The Property hosts several historic mines and a historic mill site.

This news release has been reviewed and approved by John Kowalchuk, P. Geo., who is acting as the Company's Qualified Person for the Providence Mines Project, in accordance with regulations under NI 43-101 standards.

Other Matters

In consideration of their efforts to bring the parties together on the opportunity presented by the Providence Gold Mines, Mackie Research Capital Corp. is entitled to a finder's fee of 5% of the value of the Transaction for years 1 and 2, in the form of Red Hut Shares. An aggregate of 230,000 shares has been issued to date, with a further 465,620 shares to be issued after Red Hut meets its commitments in year 2.

All securities issued with respect to the Transaction and the Financing are subject to a four-month hold period.

ON BEHALF OF THE BOARD

Robert Eadie, President
Chief Executive Officer and Director

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 release.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: *This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the Transaction; the terms and conditions of the Financing; future work to be carried on the Property; use of funds; and the business and operations of Red Hut after the Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. There is no assurance any of the forward-looking statements will be completed as described herein, or at all. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; operating and technical difficulties in connection with mineral exploration and development activities; requirements for additional capital; future prices of gold and precious metals; changes in general economic conditions; accidents, delays or the failure to receive board, shareholder or regulatory approvals, including the required permits; results of current exploration and testing; changes in laws, regulations and policies affecting mining operations; and title disputes. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Red Hut disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

Contact

[Red Hut Metals Inc.](#)

Robert Eadie

1-604-602-4935

1-604-602-4936 (FAX)

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/269419--Red-Hut-Metals-Proceeds-With-Transaction-to-Acquire-Providence-Mines-in-California.html>

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 [Datenschutzrichtlinien](#).