

Eureka Resources Announces \$2.2 Million Private Placement of Subscription Receipts

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Vancouver, April 12, 2018 - [Eureka Resources Inc.](#) (TSXV: EUK) ("Eureka" or the "Company") is pleased to announce that, further to its news release of February 27, 2018, it has entered into an engagement letter with Kore Mining Inc. ("Kore") and PI Financial Corp. (the "Agent") with respect to a brokered private placement of Eureka subscription receipts (each, a "Subscription Receipt"), to be undertaken on a best efforts basis, pursuant to which it will offer 44,000,000 Subscription Receipts at a price of \$0.05 per Subscription Receipt (the "Offering Price") for gross proceeds of approximately \$2,200,000 (the "Offering").

The Offering is intended to be the concurrent financing in connection with Eureka's acquisition of Kore, which is to be conducted by way of a three-cornered amalgamation among Eureka, Kore and a wholly-owned subsidiary of Eureka, and which will result in the reverse takeover of Eureka by Kore (the "Transaction"). As previously announced, prior to the completion of the Transaction, Eureka expects to complete a consolidation of its outstanding common shares (each, a "Share") pursuant to which it will issue one post-consolidation Share for each ten pre-consolidation Shares (the "Consolidation"). The number of Units (as defined herein) underlying the Subscription Receipts will be adjusted to reflect the Consolidation, such that it is expected that an aggregate of 4,400,000 Units will be issued on conversion of the Subscription Receipts at a deemed issuance price of \$0.50 per Unit.

Each Subscription Receipt will entitle the holder thereof to receive, without any further action on the part of the holder or payment of any additional consideration, one unit of the Company (each, a "Unit"), subject to the satisfaction or waiver of the Escrow Release Conditions (as defined herein) prior to November 1, 2018 (or such later date as may be agreed to by Eureka, Kore and the Agent) (in any case, the "Outside Date"), and provided that the Transaction has not otherwise been terminated.

The net proceeds of the Offering will be held in escrow and, upon the satisfaction or waiver of certain conditions (the "Escrow Release Conditions"), including all conditions to the closing of the Transaction, the net proceeds will be released to the Company.

Each Unit to be issued on conversion of the Subscription Receipts shall consist of one Share and one half of one common share purchase warrant (with each whole warrant being, a "Warrant"). Each Warrant shall entitle the holder thereof to acquire one Share for a period of 24 months from the date of issuance thereof at a price of \$0.075 per Share on a pre-Consolidation basis (\$0.75 on a post-Consolidation basis).

Expiry of the Warrants will be subject to acceleration if, following the issuance of the Warrants, the closing price of the Shares on the TSX Venture Exchange (the "Exchange"), or such other Canadian stock exchange on which the Shares are then principally traded, equals or exceeds \$1.00 per Share, on a post-Consolidation basis, for a period of ten consecutive trading days during the exercise period. In that case, the Company may accelerate the expiry date of the Warrants to 30 calendar days from the date notice is given by the Company, by way of dissemination of a news release, to the holders of the Warrants.

The Company has agreed to grant the Agent an option (the "Agent's Option"), which will allow the Agent to offer such number of additional Subscription Receipts as is equal to up to 15% of the Subscription Receipts issued under the Offering, having the same terms as the Subscription Receipts. The Agent's Option may be exercised in whole or in part at any time up to two days prior to the closing of the Offering.

The Company and Kore have agreed to pay the Agent a cash commission equal to 7.0% of the gross proceeds of the Offering (including any proceeds derived from exercise of the Agent's Option). In addition, subject to compliance with all required regulatory approvals, the Company will issue to the Agent such number of compensation warrants (each, a "Compensation Warrant") as is equal to 7.0% of the aggregate Subscription Receipts sold under the Offering (including on any exercise of the Agent's Option), each of which will entitle the Agent to purchase one Share at a price of at \$0.05 per Share (on a pre-Consolidation

basis) common share on a pre-consolidation basis (\$0.50 per Share on a post-Consolidation basis) for a period of 24 months following the date of issuance of the Compensation Warrants.

The Transaction remains subject to a number of terms and conditions, including, among other things:

- the completion of the Consolidation;
- Eureka and Kore obtaining all necessary consents, orders and regulatory approvals with respect to the Transaction and the Offering, including the conditional approval of the Exchange;
- completion of the Offering for minimum gross proceeds of \$2,000,000;
- there being no material change occurring with respect to the business of Eureka or Kore;
- the satisfaction of obligations under the Amalgamation Agreement relating to each of the parties;
- the delivery by each of the parties of standard closing documents, including legal opinions;
- approval of the Transaction by the shareholders of Kore and Eureka, as required by applicable corporate law and the policies of the Exchange; and
- execution of support and voting agreements by all directors and officers of Kore and Eureka and any shareholders holding greater than 10% of the issued and outstanding shares of each of the parties.

The Subscription Receipts will be offered by way of private placement pursuant to exemptions from prospectus requirements to residents of the Provinces of British Columbia, Alberta, Ontario and such other Canadian jurisdictions as may be agreed to by the Company, Kore and the Agent. Subject to applicable laws and the provisions of the agency agreement to be entered into among Eureka, Kore and the Agent with respect to the Offering, the Agent may offer the Subscription Receipts outside of Canada, including in the United States in reliance on applicable private placement exemptions under United States federal and state securities laws. Closing of the Offering is expected to take place on or around May 1, 2018

The Exchange has not yet conditionally approved the listing of the Shares underlying the Subscription Receipts. The Company does not expect to apply to list the Subscription Receipts or the Warrants.

All the securities issuable under the Offering will be subject to a four-month hold period from the date of closing. The proceeds received from the Offering will be used to advance the properties of the resulting issuer and for working capital purposes.

The Company anticipates that certain "related parties" of the Company will participate in the Offering. Participation of such "related parties" in the Offering will constitute a "related party transaction" as defined under Multilateral Instrument 61-101 -- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company expects that the Offering will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to insiders nor the consideration being paid by insiders will exceed 25% of the Company's market capitalization. None of the Company directors has expressed any contrary views or disagreements with respect to the foregoing.

About Kore

Kore is a development stage company that offers exposure to precious metals exploration and development in North America, with a corporate strategy focused on the identification and acquisition of attractive development and advanced exploration stage projects.

Kore, indirectly through wholly-owned subsidiaries, owns 100% interests in the Imperial and Long Valley gold development projects, located in California, USA (together, the "Projects"). Combined, most recent historical estimates of resources specify a total of 2,090,200 measured and indicated and 1,869,500 inferred gold ounces. A Qualified Person has not done sufficient work to classify the historical estimates as current resources and Kore is not treating the historical estimates as current resources. Significant data compilation,

re-drilling, re-sampling and data verification may be required by a Qualified Person before the historical estimates at the Projects can be classified as current resources. Kore has no other material financial assets or liabilities.

Each of the Projects has the potential to host near-surface, open pit, heap leachable gold deposits. The Projects combine low technical risk, high advancement potential and a low initial cost.

The Imperial Project has a historical feasibility study and environmental impact study published in 1996 by Glamis Gold. A historical preliminary economic assessment was prepared in 2012¹, which stated a pre-tax net present value ("NPV") of US\$215 million (US\$1,200/oz gold price) while projecting average production of 120,000 ounces of gold per year over a mine life of 10 years. Long Valley had a historical preliminary economic assessment performed in 2008, which projected an internal pre-tax NPV of US\$102 million (US\$800/oz gold price) on oxide ounces of gold only (approximately 535,400 ounces of gold).

Table 1: Combined historical² estimates of Kore Project resources³

	Size (tonnes)	Grade (g/t)	Au (oz)	Source ⁴	Au Cutoff (g/t)
Measured					
Long Valley	24,128,309	0.58	452,500	2008 PEA	0.34
Imperial	0	0.00		2012 PEA	0.00
Total Measured	24,128,309	0.58	452,500		
Indicated					
Long Valley	37,810,382	0.62	758,700	2008 PEA	0.34
Imperial	45,762,947	0.60	879,000	2012 PEA	0.17
Total Indicated	83,573,330	0.61	1,637,700		
TOTAL M&I	107,701,638	0.60	2,090,200		
Inferred ⁵					
Long Valley	29,858,452	0.58	571,500	2008 PEA	0.34
Imperial	76,334,175	0.53	1,298,000	2012 PEA	0.17
TOTAL INFERRED	106,192,627	0.54	1,869,500		

The historical mineral resources in this news release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

Imperial Mineral Historical Resource Estimation Parameters: a) Grade estimation is based on assay samples composited to 20ft intervals. Grade capping thresholds were determined following a detailed statistical analysis of the data for the entire mineralized domains varied from 0.02 to 0.2 ounces per ton (opt) gold (Au). b) Resource model grade blocks were estimated using Gemcom GEMSTM modeling software based on a traditional wireframe interpretation constructed from a sectional interpretation of drilling data. c) The database for the Imperial model consisted of 349 RC holes totalling 190,134 feet of drilling. A total of 36,361 analyses were considered for use in the resource estimate. d) The modelled gold mineralized zone was subdivided into three domains displaying different strike or dip directions with a total length of 3,200 ft, width up to 800ft and average thickness of 85ft in the East area and 1,200ft in length, 1,000ft in width and average thickness of 90ft to 120ft in the West area, dipping from 5 to 35 degrees e) A bulk density value of 0.077 ton per cubic foot was used and derived from 9 core holes consisting of 32 samples collected in a 1994 and 1995 drilling program.

Mineral resources were reported within an optimized pit shell using a gold price of US\$1,400/oz with a process recovery of 80%. g) Process costs used were US\$1.50/ton and G&A was US\$0.40/ton. Open pit mining costs were US\$1.20/ton and sustaining capex was US\$0.50/ton with open pit slopes of 45 degrees.

Long Valley Historical Mineral Resource Estimation Parameters: a) Grade estimation is based on assay samples composited to 10ft intervals. Grade capping thresholds were determined following a detailed statistical analysis of the data for the entire mineralized domains and varied from 0.029 to 0.452 ounces per ton (opt) gold (Au). Capped Au grade in the MDA model was 0.25opt. b) Resource model grade blocks were estimated using Surpac® modeling software based on a traditional wireframe interpretation constructed from a sectional interpretation of drilling data. c) The database for the Long Valley model consisted of 896 holes, including 20 core holes, totalling 268,275 feet of drilling. A total of 47,792 analyses were considered for use

in the resource estimate. d) The modelled gold mineralized zone is contained within the Hilton Creek South and Southeast zones with a total length of 7,748ft and widths ranging from 500ft to 1,500ft in a generally flat lying tabular body from 50 to 200ft thickness e) A bulk density value of 0.065 ton per cubic foot was used and derived from 7 core holes consisting of 12 samples collected by Royal Gold, 10 core holes consisting of 93 samples collected by Amax and 10 samples by MDA. f) Mineral resources were reported within an optimized pit shell using a gold price of US\$550/oz with a process recovery of 79% less than 150ft from surface and 39% between 150ft and 200ft. g) Process costs used were US\$1.96/ton and G&A was US\$0.71/ton. Open pit mining costs were US\$1.20/ton with open pit slopes of 45 degrees.

PROJECT HIGHLIGHTS

A LARGE GOLD RESOURCE

- Historical estimate of 2,090,200oz Measured and Indicated, 1,869,500oz Inferred with historic Proven & Probable reserves. A Qualified Person has not done sufficient work to classify the historical estimates as current resources and Kore is not treating the historical estimates as current resources.
- Last California exploration completed in 1996
- Updated in 2008 (Long Valley), 2012 (Imperial)

OVER 141,225 METRES (468,000 FEET) OF DRILLING

- Long Valley drilling has consisted of 869 holes totaling 268,275ft
- Imperial drilling has consisted of 349 RC holes and 9 core holes totalling 200,000ft

LOW COST MINING, HISTORICAL FEASIBILITY, PEA

- Low strip ratios (Long Valley 1:1, Imperial 2.68:1)
- Feasibility and draft EIS-EIR completed by Glamis (Goldcorp) in 1996 on Imperial
- California gold deposits deeply oxidized epithermal systems with broad disseminated zones
- Excellent metallurgy in oxide zones (Long Valley 79%, Imperial 83% recoveries projected)
- Low operating cost projects with weakly cemented gravel overburden at Imperial and consolidated pyroclastic and moat sediments at Long Valley

The financial statements of Kore for the fiscal year ended December 31, 2017 and the period from inception to December 31, 2016 are currently being audited. They will be included in the information circular to be prepared by Eureka in connection with the Transaction.

Technical information with respect to the Projects contained in this news release has been reviewed and approved by David S. Smith, CPG, who is Kore's designated independent qualified person for the purposes of this news release.

About Eureka

Eureka is a mineral exploration company based in Vancouver, British Columbia.

British Columbia, Canada

Eureka's 100% owned FG Gold property is an advanced-stage gold project located in the Cariboo Mining Division. Historical exploration has established a Measured and Indicated (376,000 ounces) gold resource at an average grade of 0.776 g/t gold, using a cut-off grade of 0.5 g/t, and an Inferred gold resource (634,900 ounces) at an average grade of 0.718 g/t gold, using a cut-off grade of 0.5 g/t. Details of the gold resource

can be found in "NI 43-101 Technical Report, Frasergold Exploration Project, Cariboo Mining Division, dated July 27, 2015" available under Eureka's profile on SEDAR or on Eureka's website.

Eureka has a 100% interest in the Gold Creek property located in the Cariboo Mining Division. Gold Creek is a grassroots gold project neighbouring, and with similar geology to the Spanish Mountain deposit owned by [Spanish Mountain Gold Ltd.](#)

Yukon Territory, Canada

Eureka's 100% owned Luxor property consists of three non-contiguous claim blocks totalling 360 mining claims. Luxor is located in the Dawson Range Gold Belt, a district of major porphyry, breccia and vein occurrences. Eureka's 100% owned TAK property is also located in the Dawson Range Gold Belt and consists of 82 mining claims.

Neighbouring projects include Goldcorp's Coffee project and White Gold's White Gold project.

Nevada, USA

Eureka owns a 50% interest in the Gemini lithium brine project located approximately 40 kilometres (26 miles) south of North America's only producing lithium mine at Silver Peak, Nevada.

Technical information contained in this news release related to Eureka's properties has been reviewed and approved by Kristian Whitehead, P.Geo., Eureka's designated Qualified Person.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the Eureka Shares in the United States. The Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Further information on Eureka can be found on Eureka's website at www.eurekaresourcesinc.com and at www.sedar.com, or by contacting Michael Sweatman, President and CEO, by email at info@eurekaresourcesinc.com or by telephone at (604) 449-2273.

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

Cautionary Statement Regarding Forward-Looking Information

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

The Exchange has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

All information contained in this news release with respect to Eureka and Kore was supplied by the parties, respectively, for inclusion herein, and Eureka and its directors and officers have relied on Kore for any information concerning such party, including information concerning the Projects.

This news release contains forward-looking statements relating to the timing and completion of the

Transaction, the future operations of Eureka, Kore, and the Resulting Issuer and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the Transaction and the future plans and objectives of Eureka, Kore, and the Resulting Issuer are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Eureka's, Kore's, and the Resulting Issuer's expectations include the failure to satisfy the conditions to completion of the Transaction set forth above and other risks detailed from time to time in the filings made by Eureka, Kore, and the Resulting Issuer with securities regulations.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Eureka, Kore, and the Resulting Issuer. As a result, Eureka, Kore, and the Resulting Issuer cannot guarantee that the Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and Eureka, Kore, and the Resulting Issuer will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.

¹ Long Valley Project: Technical Report, February 20, 2003 by Neil Prenn, P.Eng. and Charles V Muerhoff, P. Geo. of Mine Development Associates, and Technical Report, Preliminary Assessment, January 9, 2008 by Neil Prenn, P.Eng and Thomas Dyer, P.Eng. of Mine Development Associates, Reno Nevada. Prepared for [Vista Gold Corp.](#) ("2008 PEA").

Imperial Project: Preliminary Economic Assessment Technical Report October 26, 2012 by Gordon Doerksen, P.Eng. Lois Boxill, P.Eng. et al of SRK Consulting (Canada) Inc. Prepared for ADR Capital Corp., Vancouver, BC. ("2012 PEA")

² The reader is cautioned that the above referenced "Historical Resource" is considered historical in nature and as such is based on prior data and reports prepared by previous property owners. The work necessary to verify the classification of this mineral resource estimate has not been completed and the resource estimate, therefore, cannot be treated as NI 43-101 current resource verified by a Qualified Person. There can be no assurance that any of the historical resources, in whole or in part, will ever become economically viable.

³ Mineral Resources are not mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral Resource will be converted into mineral Reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

⁴ Long Valley Project: Technical Report, February 20, 2003 by Neil Prenn, P.Eng. and Charles V Muerhoff, P. Geo. of Mine Development Associates, and Technical Report, Preliminary Assessment, January 9, 2008 by Neil Prenn, P.Eng and Thomas Dyer, P.Eng. of Mine Development Associates, Reno Nevada. Prepared for [Vista Gold Corp.](#) ("2008 PEA").

Imperial Project: Preliminary Economic Assessment Technical Report October 26, 2012 by Gordon Doerksen, P.Eng. Lois Boxill, P.Eng. et al of SRK Consulting (Canada) Inc. Prepared for ADR Capital Corp., Vancouver, BC. ("2012 PEA")

⁵ The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured

mineral resource category.

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