

Erin Ventures Enters Strategic Partnership to Advance Its Boron Project

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Victoria, British Columbia (FSCwire) - [Erin Ventures Inc.](#) [TSXV: EV] is pleased to announce that it has entered into a strategic partnership option agreement (the "Agreement") with a London based commodity investment specialist (the "InvestCo"), for the continuing development of Erin's Piskanja Borate Project in Serbia ("Piskanja"). Under the terms of the Agreement, the InvestCo has the right to make equity investments in two tranches, totaling USD \$20.135 million, with the proceeds to be used for the advancement of Piskanja towards production, subject to TSX Venture Exchange and shareholder approval.

The InvestCo is currently engaged as an integral part of the initial public offering (IPO) process of a substantial mining complex. Due to the sensitive nature and timing of this listing process, Erin is unable to divulge the InvestCo's identity at this time. A description of the InvestCo operations is found below. InvestCo's identity will be released by way of, (i) a news release from Erin if, as and when InvestCo notifies Erin that there is no longer a process requiring InvestCo to remain confidential, and/or (ii) in an Information Circular to Erin's shareholders as a part of the approval process if, as and when the InvestCo notifies Erin of its intent to exercise its Tranche 1 option, as described below.

Piskanja is Erin's wholly-owned high-grade boron deposit with an indicated mineral resource of 7.8 million tonnes (averaging 31 per cent B₂O₃), and an inferred resource of 3.4 million tonnes (averaging 28.6 per cent B₂O₃), calculated in accordance with the Canadian Institute of Mining Definition Standards on Mineral Resources and Reserves (CIM Standards) as disclosed in Erin's report titled, "Mineral Resource Estimate Update On The Piskanja Borate Project, Serbia, October 2016" which is filed on SEDAR.

"I am very excited by this development," said Tim Daniels, President of Erin Ventures. "This agreement provides an opportunity to significantly grow our shareholders' value by creating a funding plan which matches our development milestones, allowing for the rapid advancement of our boron project, first to a feasibility study stage, and then into mine development and construction. In addition, we are building a formidable team that combines Erin's mineral exploration and mine development expertise and extensive knowledge of Serbia, with InvestCo's marketing, logistics and finance expertise as an experienced global commodity trader that specializes in complex, niche commodities."

The Agreement contains three principal commercial elements:

One – The InvestCo will be granted an initial purchase option exercisable for USD \$5.135 million to acquire EITHER: (i) an equity interest in Erin's wholly owned subsidiary, Balkan Gold d.o.o. ("Balkan Gold"), which holds all of Erin's rights in Piskanja; OR (ii) equity in Erin, based upon a fixed pricing formula further described below ("Option 1"). In either case, the proceeds are to be used exclusively to fund a pre-agreed work program at Piskanja designed to advance the project to a definitive feasibility study stage, as well as all permitting activities through to obtaining the requisite licenses, and approvals to exploit and mine Piskanja;

Two - Subject to completion of Option 1, InvestCo will be granted a second purchase option to acquire USD \$15 million worth of equity in Balkan Gold ("Option 2"). The proceeds from Option 2 are to be designated for mine development and construction costs at Piskanja upon receipt of requisite licenses, and approvals to exploit and mine Piskanja; and

Three – Subject to completion of Option 1, InvestCo, in its capacity as an experienced global commodity marketing and trading company, will provide its marketing and advisory expertise to Balkan Gold

for the future sale of all borate production at Piskanja for a 3-year period.

The salient terms in the Agreement are as follows:

- (i) The InvestCo shall be granted Option 1 with an exercise period commencing immediately and expiring within 90 days of the Republic of Serbia Ministry of Mining and Energy issuing an extension to the current Piskanja exploration license, which is due for renewal by July 11, 2018;
- (ii) Option 1 grants InvestCo the right, for USD \$5.135 million, to purchase EITHER: (A) 51% of the share capital of Balkan Gold at the date the Option is exercised; OR (B) USD \$5,135,000.00 of common shares in Erin. Each share to be priced at the maximum discount permissible under the policies of the TSXV, subject to: the price being fixed at the close of trading (Toronto time) on the day which InvestCo gives written notice to Erin of its intent to exercise this option, with the price to be pegged as the higher of either the volume weighted 20 previous trading-day average trading price of Erin's shares on the TSXV, or the closing price on the day notice is given;
- (iii) Upon exercise of Option 1 into equity of Balkan Gold, the InvestCo will be granted majority representation on the board of directors of Balkan Gold, or alternatively, upon exercise of Option 1 into equity of Erin, InvestCo will be granted the right to nominate a majority of the board of directors of Balkan Gold and Erin. Under either scenario, if InvestCo's equity ownership falls below 40% at any point, then InvestCo's board nomination rights shall be reduced proportionally;
- (iv) The use of proceeds of Option 1 will be used solely to fund development and permitting activities of Piskanja through to obtaining all the necessary licenses, permits, and approvals to exploit and mine the Piskanja Borate Project. This will include funding a pre-agreed work program to extend the Piskanja Borate Project exploration license, and to fund the Piskanja Borate Project definitive feasibility study, including the funding of the general and administrative costs of Erin, and Balkan Gold, that directly relate to the Piskanja Borate Project only;
- (v) Upon exercise of Option 1, Erin shall reimburse InvestCo for all verified transaction closing costs associated with the transaction to a maximum of USD \$300,000;
- (vi) Upon exercise of Option 1, Erin and Balkan Gold shall grant InvestCo with sole marketing rights to all products produced from the Piskanja Boron Project, or any future borate project developed by Balkan Gold. The marketing agreement shall be valid through to the third anniversary of commissioning of Piskanja. The InvestCo will be paid one (1) percent of the invoice amount as a marketing fee, and reimbursed for pre-agreed costs;
- (vii) Subject to completion of Option 1, InvestCo shall be granted Option 2 with an exercise period starting immediately and expiring the earlier of: A) ninety (90) days after (i) the date on which Erin receives all the necessary licenses, permits, and approvals required for the development and exploitation of the Piskanja Borate Project, including but not limited to the issuance of the exploitation license in accordance with mining law official gazette 101/2015, the approval of mining works, and the approval of the definitive feasibility study of the Piskanja Borate Project by the Republic of Serbia Ministry of Mining and Energy; and (ii) the date on which an expression of interest is obtained from a reputable financial institution, or reputable offtaker, for the financing of the debt portion of construction capex associated with the Piskanja Borate Project; OR B) one hundred and fifty (150) days after the date on which the Company receives all the necessary licenses, permits, and approvals required for the development and exploitation of the Piskanja Borate Project, including but not limited to the issuance of the exploitation license in accordance with mining law official gazette 101/2015, the approval of mining works; and the approval of the definitive feasibility study of the Piskanja Borate Project by the Republic of Serbia Ministry of Mining and Energy.
- (viii) Option 2 allows InvestCo the right, for USD \$15 million, to purchase an additional 24% equity stake in Balkan Gold; and
- (ix) The proceeds from the exercise of Option 2 shall be used exclusively to fund future Piskanja mine design, development and construction costs based upon results derived from the definitive feasibility study, mine plans and other studies that formed the basis for the granting of the exploitation license by the Serbian

authorities.

The Agreement is subject to TSX Venture Exchange, and shareholder approvals.

On behalf of the Board of Directors,

Blake Fallis, General Manager

About the InvestCo

InvestCo was established in 2009 by the senior management team from one of the world's largest energy commodity trading companies. Its mandate since inception has been to invest in upstream mining projects, leveraging the founders' extensive commodity networks and decades of experience.

InvestCo takes a differentiated approach to engaging with project teams. In addition to providing capital to early stage mining projects, the InvestCo team seeks to work with management by providing marketing, hedging and structuring expertise gained over 20 years of commodity trading know-how across multiple markets.

InvestCo has a strong track record of leverage it's debt and equity network, in order to bring mining projects into production. Its team has worked with a number of alternative funding partners including sovereign wealth funds, family offices and hedge funds, accessing new sources of capital as an alternative to traditional capital markets.

About Erin Ventures

[Erin Ventures Inc.](#) is an international mineral exploration and development company with boron assets in Serbia. Headquartered in Victoria, B.C., Canada, Erin's shares are traded on the TSX Venture Exchange under the symbol "EV". For detailed information please see Erin's website at www.erinventures.com or the Company's filed documents at www.sedar.com.

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The technical information in this release was prepared and approved by James E Wallis, M.Sc. (Eng), P. Eng., a director of the company, who is a Qualified Person under National Instrument 43-101.

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.

Forward Looking Statements:

Certain statements in this news release may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements concerning

(i) the Agreement, (ii) Option 1; (iii) Option 2; (iii) anticipated approvals; (iv) the time to the exercise of Option 1 and Option 2; and (v) results of the completion of the transactions contemplated in this news release. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements including, without limitation, the risks that: (1) the information provided to Erin by InvestCo turns out to be misleading, untrue or incomplete; (2) neither Option 1 nor Option 2 may be completed for any reason whatsoever, including that regulators may not approve the proposed Options; (3) the closings may not occur as scheduled or at all; and (4) Erin may not achieve the results currently anticipated. Although Erin believes that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because Erin can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this news release, assumptions have been made regarding and are implicit in, among other things, the timely receipt of required regulatory approvals. Details of the risk factors relating to Erin and its business are discussed under the heading "Risks and Uncertainties" in Erin's most recent regulatory filings which are posted on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Erin and described in the forward looking information. The forward-looking information contained in this news release is made as of the date hereof and Erin undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. "Inferred Resources" have a great amount of uncertainty as to their existence, and economic and legal feasibility. Investors are cautioned not to assume that all or any part of an inferred mineral resource reported in this news release will ever be upgraded to a higher category or to reserves. U.S. persons are advised that while mineral resources are recognized under Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. persons are also cautioned not to assume that all or any part of an inferred mineral resource is economically or legally mineable.

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