

Ashanti Gold and Desert Gold Ventures Announce Binding Letter of Intent for the Acquisition of Ashanti Gold by Desert Gold

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[Ashanti Gold Corp.](#) ("Ashanti" or the "Company") - (TSXV: AGZ) and [Desert Gold Ventures Inc.](#) (TSXV: DAU) ("Desert Gold") are pleased to announce they have entered into a binding letter of intent (the "LOI") contemplating the acquisition by Desert Gold of all of the outstanding common shares of Ashanti (the "Ashanti Shares"), (the "Proposed Transaction"). The Proposed Transaction, upon completion, will allow Ashanti shareholders to benefit from a consolidation of land positions currently under property rights or owned by both Desert Gold and Ashanti on adjacent properties in a prospective area of Mali.

Under the terms of the LOI, all of the issued and outstanding Ashanti Shares will be exchanged on the basis of 0.2857 Desert Gold common shares (each whole share, a "Desert Gold Share") for each Ashanti Share (the "Exchange Ratio"). The Exchange Ratio implies consideration of approximately CAD \$0.0514 per Ashanti Share, based on the closing price of the Desert Gold Shares on the Toronto Venture Stock Exchange ("TSXV") on March 8, 2019. This represents a premium of 28.5% based on the closing price of Ashanti Shares on the TSXV on March 8, 2019. The Proposed Transaction value is approximately CAD \$3.8 million on a fully diluted in-the-money basis, and Ashanti shareholders will own 31% of the combined entity. The parties have until April 15, 2019 to enter into a definitive agreement and have set a long-stop date of September 30, 2019 to close the Proposed Transaction.

Tim McCutcheon, Ashanti's CEO, commented "This transaction is an exciting opportunity for Ashanti shareholders to be a part of a bigger land package that encompasses both major geological structures in the area. Larger scale in an area of multiple gold mineralization zones lowers risk and raises the attractiveness of the combined land package for investors. The Desert Gold team is impressive and has had major success in creating value with West African gold assets. I am very enthusiastic about the future and see great opportunity for the company."

Transaction Highlights

- Excellent location on the prolific Senegal Mali Shear (SMSZ) and Main Transcurrent Shear Zones (MTSZ) – The district-scale land package spans the SMSZ, which is related to +30 million ounces of gold production and resources⁽¹⁾ and the MTSZ, which hosts Barrick's >3 million ounce Massawa Deposit⁽²⁾. The combined property overlies portions of these two structures and the interaction zone between them (see Figure 1).
- District-Scale Land Package - Consolidated properties (see Figure 1 and 2 below) create an ~15 km across by ~25 km long, creating a district-scale, ~190 km², target-rich, land package (see Figure 2).
- Combined Properties host >11 known gold zones occurring both east and west of the SMSZ and MTSZ, suggesting significant exploration potential in a variety of geological settings

Benefits to Ashanti Shareholders

- Acquisition premium (28.5% based on the closing price of Desert Gold and Ashanti's common shares on the TSX Venture Exchange on March 8, 2019.)
- Increased exposure to combined properties' overlying regional-scale structures (SMSZ and MTSZ) that are related to numerous, multi-million ounce deposits
- Exposure to Desert Gold projects contiguous to BCM's Tabakoto and Hummingbird Resources' Yanfolila gold mines in Mali
- Access to a strong, in-country operational team with capabilities to significantly advance combined properties
- Improved capital markets exposure
- Anticipated costs savings from consolidating operations

Benefits to Desert Gold Shareholders

- Strategic acquisition to create a district-scale land package over regional-scale structures (SMSZ and MTSZ) that are related to numerous, multi-million ounce gold deposits
- Exposure to well-situated Anumso gold property in the multi-million ounce Ashanti Belt in Ghana
- Combined entities will likely increase shareholder liquidity, trading and capital markets exposure
- Further strengthen Desert Gold's exploration and development pipeline
- Anticipated costs savings from consolidating operations

Barrick's Loulo-Gounkoto mine complex to the west with ore reserves of 32 Mt (million tonnes) average at 4.6 g/t for 3.7 million oz Au in the Proven and Probable category. BCM's (formerly Endeavour Mining) Tabakoto and Segala mines which hosts ~3 million oz Au (18.5 Mt at 3.5 g/t for 1.8 million oz Au Measured and Indicated, 9 Mt at 3.6 g/t for 1 million oz Au Inferred and 6.4 Mt at 3.5 g/t for 0.7 million oz Au Proven and Probable. B2Gold Fekola mine to the south with ore reserves of 48.3 Mt average at 2.37 g/t gold for 3.34 million oz Au in the Proven and Probably category and 65.8 Mt average at 2.13 g/t gold for 4.5 million oz Au. To the north Sadiola/Yatela mine contains ore reserves of 38 Mt at 1.57 g/t gold for 2 million oz Au and 87 Mt at 1.58 g/t gold for 6 million oz Au in the Measured and Indicated category. Source: company annual reports and corporate filings.

(2) Barrick (formerly Randgold) May 2017 technical report on the Massawa Gold Project

Three photos accompanying this announcement are available at:

<http://www.globenewswire.com/NewsRoom/AttachmentNg/d53c6967-6fb2-410b-ac87-d89140306aab>

<http://www.globenewswire.com/NewsRoom/AttachmentNg/89730de4-99df-43b7-89cf-71f4ad706583>

<http://www.globenewswire.com/NewsRoom/AttachmentNg/669bfa49-d670-40b5-b21e-94188270d1f0>

LOI Conditions & Steps to Definitive Agreement

The Proposed Transaction is subject to a number of conditions, including, but not limited to, Ashanti and Desert Gold entering into one or more binding definitive agreements containing customary terms and conditions, including representations and warranties customary in a transaction of this nature. In the event that definitive agreement(s) are entered into between the parties, and subject to the final transaction structure, the closing of the Proposed Transaction will be subject to additional conditions precedent including, but not limited to, the receipt of all required approvals, approval of the Proposed Transaction by the requisite majority of shareholders of Ashanti by way of special meeting of Ashanti shareholders and agreement on customary non-solicitation covenants, board support and other standard provisions for transactions of this nature. In addition to shareholder and regulatory approvals, the closing of the Proposed Transaction is conditional on Ashanti being granted a renewal of the Kossanto East exploration permit in Western Mali which is due to expire on May 7, 2019. Under the terms of the LOI, Ashanti's CEO Tim McCutcheon will join the board of Desert Gold upon closing of the Proposed Transaction.

Ashanti and Desert Gold are committed to consummating the Proposed Transaction in an expedited manner and will issue further information about the Proposed Transaction in the near future. There can be no assurances that any transaction relating to the Proposed Transaction or otherwise will result, or as to the final definitive terms thereof.

On Behalf of the Board of Directors of Ashanti Gold Corp

"Tim McCutcheon"

Tim McCutcheon, CEO - Director

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Technical Disclosure

This press release contains certain scientific and technical information of Desert Gold and Ashanti. Each party is solely responsible for the contents and accuracy of any scientific and technical information disclosure relating to it.

Don Dudek, P.Geo. is a director of Desert Gold and a Qualified Person under National Instrument 43-101, has reviewed and approved the Desert Gold scientific and technical information contained in this press release.

Dr. Paul Klipfel, CPG (AIPG certification #10821), Ashanti's COO and Chief Geologist is a Qualified Person as defined by Canadian NI 43-101 and has supervised the preparation of the scientific and technical information that forms the basis for this news release. Dr. Klipfel is responsible for all aspects of the work on the Kossanto East property including the Quality Control/Quality Assurance programs. Dr. Klipfel is not an Independent Person, as he is a shareholder of Ashanti.

Forward Looking Statements

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.

This press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. All statements other than statements of present or historical fact are forward-looking statements, including statements with respect to the Letter of Intent and the likelihood that the definitive agreement(s) will be entered into and that Proposed Transaction will be consummated on the terms and timeline provided herein or at all, the benefits of the Proposed Transaction to Desert Gold and Ashanti and the receipt of all required approvals including without limitation the companies's shareholders and applicable regulatory authorities and applicable stock exchanges. Forward-looking statements include words or expressions such as "proposed", "will", "subject to", "near future", "in the event", "would", "expect", "prepared to" and other similar words or expressions. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include general business, economic, competitive, political and social uncertainties; the state of capital markets; risks relating to (i) the preliminary and non-binding nature of the LOI, (ii) the ability of the parties to satisfy the conditions precedent to the execution of any definitive agreement(s) or to ultimately agree on definitive terms, (iii) the impact on the respective businesses, operations and financial condition of Desert Gold and Ashanti resulting from the announcement of the Proposed Transaction and/or the failure to enter into definitive agreement(s) or to complete the Proposed Transaction on terms described or at all, (iv) a third party competing bid materializing prior to the effective date of any definitive agreement(s) or the completion of the Proposed Transaction, (v) delay or failure to receive board, shareholder regulatory or court approvals, where applicable, or any other conditions precedent to the completion of the Proposed Transaction, (vi) unforeseen challenges in integrating the businesses of Desert Gold and Ashanti, (vii) failure to realize the anticipated benefits of the Proposed Transaction, (viii) other unforeseen events, developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant; and other risks described in Desert Gold's and Ashanti's documents filed with Canadian securities regulatory authorities. You can find further information with respect to these and other risks in filings made with the Canadian securities regulatory authorities and available at www.sedar.com. Desert Gold's and Ashanti's documents are also available on their respective websites at www.desertgold.ca and www.ashantigoldcorp.com. We disclaim any obligation to update or revise these forward-looking statements, except as required by applicable law.

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