

Ashanti Gold Corp. and Desert Gold Ventures Inc. Announce Definitive Combination Agreement

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[Ashanti Gold Corp.](#) ("Ashanti") and [Desert Gold Ventures Inc.](#) ("Desert Gold") are pleased to announce that they have entered into a definitive combination agreement (the "Definitive Agreement") to which Desert Gold will acquire all of the issued and outstanding common shares of Ashanti (the "Ashanti Shares"), (the "Proposed Transaction"). The transaction is being carried out by way of a three-cornered amalgamation (the "Amalgamation"). Ashanti shareholders will vote on the Amalgamation at a special meeting of Ashanti shareholders (the "Ashanti Meeting") with closing expected to take place by the end of May 2019.

Under the terms of the Definitive Agreement, 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 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, representing 31% dilution to Desert Gold shareholders.

Tim McCutcheon, Ashanti's CEO, commented "The Definitive Agreement comes on the back of the Letter of Intent announced on March 11, 2019, and both teams are moving forward to close this transaction and continue onward to develop the combined, bigger, land package of both companies. This bigger land package encompasses major geological structures in the area, similar to other structures that have given the industry multiple large gold deposits. Since the Letter of Intent was announced, investor interest has been high and we look forward to creating value for Ashanti and Desert Gold shareholders through the completion of the business combination."

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 lies in the interaction zone between these two prolific structures (see Figure 1).
- District-Scale Land Package - Consolidated properties (see Figure 1 and 2 below) become ~20 km across by ~30 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

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 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

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 (1) 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 Probable 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.

Barrick website -
(2) <https://barrick.q4cdn.com/788666289/files/quarterly-report/2018/Randgold-2018-Reserves-Resources.pdf>;
Estimated Indicated mineral resources of 23 Mt @ 4.0 g/t Au totalling 2.5 million ounces of gold and estimated inferred mineral resources of 6 Mt @ 3.0 g/t Au totalling 0.51 million ounces of gold

Three photos accompanying this announcement are available at:

<http://www.globenewswire.com/NewsRoom/AttachmentNg/f25f677b-24a9-4ff2-9f79-d5b552472c77>
<http://www.globenewswire.com/NewsRoom/AttachmentNg/80ed62c0-816b-4559-a88c-9eb1a678e218>
<http://www.globenewswire.com/NewsRoom/AttachmentNg/a305a0de-e040-4360-b39d-b5e24c83a221>

Terms of the Combination Agreement

The Combination Agreement follows the Company announcement dated March 11, 2019 that Desert Gold and Ashanti had entered into a binding letter of intent in respect of a proposed acquisition of Ashanti by Desert Gold.

Subject to TSX Venture Exchange (the "TSXV") and any other required regulatory authority approval, outstanding Ashanti options and warrants will be exercisable in accordance with their terms into Desert Gold Shares at the Exchange Ratio until their expiry date.

Pursuant to the Amalgamation, Desert Gold will issue approximately 21.1 million Desert Gold Shares to Ashanti shareholders and Ashanti will amalgamate with a newly incorporated wholly owned subsidiary of Desert Gold to become a wholly owned subsidiary of Desert Gold. The Amalgamation represents approximately 31% dilution to Desert Gold shareholders.

Implementation of the Amalgamation is subject to approval by at least two-thirds of the votes cast by all Ashanti shareholders at the Ashanti Meeting. In addition to shareholder approval, completion of the Amalgamation is subject to the receipt of regulatory approvals, including stock exchange approvals, as well as certain other closing conditions customary in transactions of this nature.

The Combination Agreement contains customary non-solicitation provisions that are subject to Ashanti's right to consider and accept a superior proposal subject to a matching right in favour of Desert Gold. In the event that the Amalgamation is not completed as a result of a superior proposal or in certain specified circumstances, Ashanti will pay Desert Gold a termination fee in the amount of CAN\$250,000.

Full details of the Amalgamation will be included in the management information circular to be filed with regulatory authorities and mailed to the Ashanti shareholders in accordance with applicable securities laws. The record date for the Ashanti Meeting will be announced in the near future.

In addition to shareholder and regulatory approvals, the closing of the Proposed Transaction is conditional on Ashanti being granted a new exploration permit over the Kossanto East exploration permit in Western Mali where the company has existing rights which are due to expire May 7, 2019.

Board Recommendation

The board of directors of Ashanti (the "Ashanti Board"), following a review of the terms and conditions of the Combination Agreement and consideration of a number of factors, has unanimously determined that the Amalgamation is in the best interests of Ashanti shareholders and is fair, from a financial point of view, to Ashanti shareholders and will recommend that Ashanti shareholders vote in favour of the Amalgamation

Ashanti Delisting and SEDAR Filings

If the Amalgamation is completed, the Ashanti Shares will be delisted from the TSX Venture Exchange. A copy of the Combination Agreement will be available through Ashanti and Desert Gold's public filings with the applicable securities regulatory authorities in Canada on SEDAR at www.sedar.com.

On Behalf of the Board of Directors of Ashanti Gold Corp.

"Tim McCutcheon"
Tim McCutcheon, CEO - Directo

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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., 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';

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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