

# Rockwealth Resources Corp. Enters Into Binding Letter of Intent With Realgold Resources Corp.

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KELOWNA, Sept. 3, 2019 - [Rockwealth Resources Corp.](#) ("Realgold" or the "Company") (TSXV: RWR) announces that it has entered into a binding letter of intent dated August 28, 2019 (the "LOI") with Realgold Resources Corp. ("Realgold") regarding a proposed transaction to acquire all of the issued and outstanding securities of Realgold (the "Transaction"). The Transaction is an arm's length transaction and will constitute a "reverse takeover" pursuant to the policies of the TSX Venture Exchange (the "Exchange"). The Company will have until October 31, 2019 to conduct due diligence on Realgold, with a view to negotiating the terms of a definitive agreement (the "Definitive Agreement") in order to complete the Transaction.

## About Realgold Resources Corp.

Realgold has assembled an extensive land portfolio in the Kyrgyz Republic that includes 16 projects in 28 licenses covering 274,124 ha within the highly prolific Tien Shan gold belt. The Carlin type potential in southwestern Kyrgyz Republic was recognized by Doug Kirwin, Realgold's President and CEO, and ground was subsequently acquired by staking.

The orogenic gold deposits of the Tien Shan Mineral Belt include some of the largest economic gold accumulations in the world. These deposits are spread across the belt in Russia, Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan and western China, and span the time scale from Lower to Late Paleozoic<sup>1</sup>.

It is host to several giant gold deposits, including the world's single largest operating gold mine (Muruntau in Uzbekistan) to the west and the giant Kumtor mine in eastern Kyrgyzstan to the east end of the belt. Carlin type deposits are the most important source of gold in the United States and the Tien Shan belt within the Kyrgyz Republic is now recognized as hosting the 2<sup>nd</sup> largest confirmed Carlin terrain in the world. Realgold licences cover 90% of newly recognized and unexplored Carlin type gold belt. Mineralization hosted on adjacent and nearby properties is not necessarily indicative of mineralization that may be hosted on properties subject to the Transaction.

## The Transaction

Subject to the execution of a Definitive Agreement, the Company proposes to acquire all of the issued and outstanding common shares of Realgold in exchange for common shares of the Company (the "Payment Shares"). The Payment Shares would be issued to the shareholders of Realgold on a pro-rata basis based on a 1:1 ratio. Pursuant to the Transaction, the shareholders of Realgold will become shareholders of the Company. In addition, all the outstanding common share purchase warrants of Realgold will, subject to the rules of the Exchange, be exchanged for common share purchase warrants of the Company based on a 1:1 ratio and on the same economic terms and conditions as previously issued.

On or before the closing of the Transaction, it is proposed that Realgold will complete a financing (the "Concurrent Financing") by way of a non-brokered private placement relying on the prospectus exemptions pursuant to National Instrument 45-106 &ndash; Prospectus Exemptions or other applicable laws, rules and regulations, to raise a minimum of \$5,000,000 and up to a maximum of \$10,000,000 at an intended price of \$0.35 per subscription receipt (each a "Subscription Receipt"). Each Subscription Receipt will, prior to the

effective time of the Transaction, automatically convert into one common share of Realgold and one half of one common share purchase warrant of Realgold (each a "Warrant"), with each whole Warrant exercisable into a common share at a price of \$0.46 per share for a one year period, for no additional consideration upon the satisfaction of certain escrow release conditions, including the conditional approval of the Exchange for the Transaction and satisfaction or waiver of all of the conditions precedent to the Transaction as set out in the Definitive Agreement, at \$0.35 per Subscription Receipt, to raise a minimum of gross proceeds of \$5,000,000 and up to a maximum of gross proceeds of \$10,000,000, to be completed within ninety (90) days of receiving conditional approval of the Transaction by the Exchange.

The Transaction is conditional upon, among other things:

- (i) the parties will have received all necessary regulatory and third-party consents, approvals and authorizations as may be required in respect of the Transaction, including, but not limited to, acceptance of the Transaction by the Exchange;
- (ii) completion of due diligence to the satisfaction of the parties;
- (iii) approval by the board of directors of each of the Company and Realgold to the final terms and conditions of the Transaction as set forth in the Definitive Agreement and all other necessary matters related thereto prior to the signing of the Definitive Agreement;
- (iv) approval by the board of directors of each of the Company and Realgold of the Definitive Agreement and the execution of the Definitive Agreement, such Definitive Agreement so executed being the Definitive Agreement approved;
- (v) completion of all matters, and the satisfaction of all conditions (unless waived in writing by the applicable party), under the Definitive Agreement and any applicable transactional agreements, required to be completed or satisfied on or before closing of the Transaction including but not limited to completion of the Concurrent Financing; and
- (vi) the shareholders of Realgold will have approved the Transaction and any and all matters in connection therewith pursuant to applicable laws and the rules and policies of the Exchange.

In connection with the Transaction it is intended that the Company will be re-named as the parties may reasonably agree upon and as is acceptable to the Exchange and the registrar. Upon completion of the Transaction, the resulting entity will carry on the business currently conducted by Realgold and will cease to carry on the business currently being conducted by the Company. It is also intended that concurrent with the closing of the Transaction, the board of directors of the Company shall be restructured through resignations and appointments, so that it shall consist of four (4) directors with Realgold selecting two (2) board members and the Company selecting two (2) board members. It is the intention of the Company that it will sell, transfer, or otherwise dispose of its Tayson property located in the Philippines and associated liabilities (whether financial, environmental or otherwise) subsequent to the completion of the Transaction.

#### Additional Information

Further details regarding the proposed Transaction and the Resulting Entity will be provided in a comprehensive news release if, and when, the Parties enter into a Definitive Agreement. The Company currently intends to apply for a waiver of the Exchange requirements for sponsorship. Trading of the Company's shares will remain halted until completion of the Transaction or until satisfactory documentation is filed with the Exchange.

The Definitive Agreement will incorporate the principal terms of the Transaction described herein and in the LOI, and in addition, such other terms and provisions of a more detailed structure and nature as the parties may agree upon after receiving further tax, legal and financial advice from their respective advisors. However, there is no assurance that the Definitive Agreement will be successfully negotiated or entered into.

## Qualified Person

The scientific and technical information contained in this news release as it relates to Realgold and its properties has been reviewed and approved by Ross McElroy, a director of the Company and a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

## ON BEHALF OF THE BOARD OF DIRECTORS

"Dev Randhawa"  
Dev Randhawa  
President and Director

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and, if applicable, pursuant to the requirements of the Exchange, shareholder approval. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

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

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 news release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

## Forward-Looking Statements

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and, if applicable, pursuant to the requirements of the Exchange, shareholder approval. There can be no assurance that the Transaction will be completed as proposed or at all.

All information in this news release concerning Realgold has been provided for inclusion herein by Realgold. Although the Company has no knowledge that would indicate that any information contained herein concerning Realgold is untrue or incomplete, the Company assumes no responsibility for the accuracy or completeness of any such information. Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

Certain statements included in this news release constitute forward-looking information or statements (collectively, "forward-looking statements"), including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This news release contains forward looking statements. These forward-looking statements are based on current expectations and various estimates,

factors and assumptions and involve known and unknown risks, uncertainties and other factors. Any statements about Realgold's business plans, the execution of a Definitive Agreement, closing of the Transaction, expected terms of the Transaction, the number of securities of the Company that may be issued in connection with the Transaction, the ownership and the directors of the Company, the requirement to obtain shareholder approval, the parties' ability to satisfy any and all other closing conditions including but not limited to completion of the Concurrent Financing, and receive necessary regulatory and Exchange approvals in connection therewith and the terms associated therewith and any additional reorganizational transactions are all forward-looking information. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including, anticipated costs, and the ability to achieve its goals.

Factors that could cause the actual results to differ materially from those in the forward-looking statements include, failure to obtain regulatory approval, the continued availability of capital and financing, and general economic, market or business conditions, changes in legislation and regulations, increase in operating costs, equipment failures, failure of counterparties to perform their contractual obligations, litigation, the loss of key directors, employees, advisors or consultants and fees charged by service providers. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Transaction will occur or that, if the Transaction does occur, it will be completed on the terms described above, nor can there be any assurance that the listing of the common shares of the Company upon completion of the Transaction will occur. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law. Readers should not place undue reliance on the Company's forward looking statements.

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<sup>1</sup> Cole and Seltnann, 2000; Yakubchuk et al., 2002; Mao et al., 2004.

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