

Titan Minerals Ltd. Provides Update on Core Gold Inc. Offer

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- Offer raised to 3.1 [Titan Minerals Ltd.](#) ("Titan") shares for each [Core Gold Inc.](#) ("Core") share, an increase of 24% over the original offer, representing a 227% premium to Core's undisturbed price immediately prior to the announcement of Titan's bid
- Core's major shareholders enter into irrevocable lock-up undertakings to accept Titan's bid.
- Titan is now in receipt of lock-up arrangements for 76.4 million Core shares, or approximately 45.8% of Core's share capital, in addition to the 9.2 million Core shares (5.5%) which Titan already owns
- 51.3% of the issued and outstanding shares and votes in Core (including Titan shares) have accepted or entered into lock-up arrangements.
- Titan proposing to undertake a A\$3.5 million equity placement and enter into a US\$10 million debt facility

On 16 September 2019, Titan Minerals ("Titan") announced its intention to make a public offer to the shareholders of Core to acquire all of the outstanding shares in Core. The formal offer made on 30 September 2019 included 2.5 fully paid ordinary shares of Titan for each Core common share held (the "Offer"), valuing Core shares at CAD\$0.422. Titan has elected to increase the offer to 3.1 shares of Titan for each Core share (the "Increased Offer").

The Increased Offer values Core at CAD\$0.523 per Core share.

Summary

- Titan increases the Offer from 2.5 Titan shares per Core share to 3.1 Titan shares per Core share;
- The value of the Offer increases by 24%, from CAD\$0.422 per Core share to CAD\$0.523 per Core share;
- The Increased Offer, at 3.1 Titan shares per Core share, represents a premium of:
 - 227% in relation to the closing price for Core shares on 13 September 2019 (the last day prior to the public disclosure of Titan's intention to pursue a combination with Core);
 - 204% in relation to the volume weighted average price for Core shares during a period of 30 trading days prior to the public disclosure of Titan's intention to pursue a combination with Core; and
 - 120% relative to the closing price of Core on 6 December 2019, the last day of Core's trading prior to this announcement;
- Shareholders holding 45% of Core's share capital, excluding Titan's existing 5.5% shareholding, have now entered into lock-up arrangements to accept the Increased Offer. This includes irrevocable commitments received from shareholders accounting for 40%, received pursuant to this announcement;
- Titan is proposing to undertake an equity capital raising to raise approximately A\$3.5 million;
- Prior to the completion of the Increased Offer, Titan will also seek to enter into a credit committee approved term sheet or subscription commitment with a view to undertaking an additional financing to raise gross proceeds of US\$10 million. The additional financing may be comprised of a credit facility or other borrowing structure or facility; and
- The ongoing voluntary suspension in the Company's securities will continue pending the release of announcements regarding the outcome of the equity capital raising and an update in respect to the debt financing.

"Titan is committed to a successful combination of these two exciting growth companies. Our vision is to create a critical mass of resources that when supported by the financial resources which Titan can bring to

bear will result in a rapid and accelerated development of the assets and a significant re-rating for the combined company.

At this time, shareholders holding 45% of Core's share capital have now entered into lock-up arrangements to accept the Increased Offer, demonstrating a broad consensus of support for the transaction. We look forward to moving to an expeditious closing of the Increased Offer and to welcoming our new shareholders on board", commented Laurence Marsland, Chief Executive Officer of Titan.

The Increased Offer

The improved value of the Increased Offer

Titan has decided to increase the Offer from 2.5 Titan shares per Core share to 3.1 Titan shares per Core share, resulting in an increase in the value of the Offer of 24%, from CAD\$0.422 per share to CAD\$0.523 per share. No commission will be charged in connection with the Increased Offer. The Increased Offer represents a premium of:

- 227% in relation to the closing price for Core shares on 13 September 2019 (the last day prior to the public disclosure of Titan's intention to pursue a combination with Core)
- 204% in relation to the volume weighted average price for Core shares during a period of 30 trading days prior to the public disclosure of Titan's intention to pursue a combination with Core
- 120% relative to the closing price of Core on 6 December 2019, the last day of Core's trading prior to this announcement

As of 6 December 2019, which was the last day of trading prior to the announcement of the increased Offer, Core was trading at CAD\$0.230 per share, a 44% increase from 13 September 2019, which was the last day prior to the public disclosure of Titan's intention to pursue a combination with Core.

Already tendered shares

Shareholders who have tendered their shares in Core will automatically benefit from the improved value in the Increased Offer.

Conditions to the Increased Offer

The completion of the Increased Offer is conditional upon (i) there being deposited under the Increased Offer, and not withdrawn, at least 50.1% of the issued and outstanding Core shares (calculated on a fully diluted basis), excluding any Core shares already held by Titan; (ii) Titan obtaining all requisite shareholder approval in respect to the issue of Titan securities pursuant to the Offer; (iii) receipt of all governmental, regulatory and third party approvals that Titan considers necessary or desirable in connection with the Offer; and (iv) no material adverse change having occurred in the business, affairs, prospects or assets of Core. If a 66 2/3% or greater acceptance level is achieved, Titan intends, but is not required to, take steps to acquire all of the outstanding Core shares and other convertible securities to acquire Core shares.

The original terms of the Offer remain unchanged (other than the increase in consideration), including the original conditions for completion and provisions of the Offer set out by Titan in the Offering Circular dated 30 September 2019. Accordingly, Titan reserves the right to withdraw the Increased Offer.

This press release does not constitute an offer to buy or an invitation to sell, or the solicitation of an offer to buy or invitation to sell, any of the securities of Core. Such offer has been made pursuant to an offer and take-over bid circular filed with the securities regulatory authorities in Canada as may be amended by a notice of change or variation.

Supplement to the Offering Circular

An Offering Circular regarding the Offer was filed with the Canadian regulators and mailed to Core

shareholders on 30 September 2019. A notice of change and variation to the Offering Circular reflecting the contents of this press release will be filed with the Canadian regulators and will be mailed to Core shareholders in due course.

Lock-up arrangements

Titan has entered into lock-up arrangements with shareholders representing 45.8% of Core's shares, pursuant to which, among other things, the locked-up shareholders have agreed to accept the Increased Offer. The locked-up shareholders represent in aggregate approximately 45.8% of the present issued and outstanding Core shares, and 41.3% of the issued and outstanding Core shares on a fully diluted basis. Copies of the lock-up arrangements will be available on SEDAR in due course.

As part of the lock-up arrangements, Titan has agreed to undertake an equity capital raising to raise at least A\$3.5 million and enter into a credit committee approved term sheet or subscription commitment with a view to undertaking an additional financing to raise gross proceeds of US\$10 million (refer below for further details).

Tendered shares and Titan's ownership in Core

Titan currently owns 9.2 million shares, or 5.5% of the issued and outstanding shares of Core. The total number of shares which have as of 9 December 2019 accepted the Increased Offer, entered into lock-up arrangements or are owned by Titan is 85.6 million, or 51.3% of the issued and outstanding shares and votes in Core.

As disclosed in its Offering Circular, Titan may, during the ongoing offer period, acquire additional shares in Core.

Capital raising

Titan is proposing to undertake a placement of new Titan shares to certain eligible institutional and high net worth investors to raise approximately A\$3.5 million (the "Placement"). The issue of new Titan shares under the Placement will be subject to Titan obtaining shareholder approval pursuant to Listing Rule 7.1 and the satisfaction of the conditions under the Increased Offer, including there being deposited under the Increased Offer, and not withdrawn, at least 50.1% of the issued and outstanding Core shares (excluding any Core shares held by Titan).

Each new Titan share under the Placement will rank equally with existing fully paid ordinary shares in Titan on issue and Titan will, upon issue of the new Titan shares under the Placement, seek quotation of the new Shares on the ASX. Canaccord Genuity (Australia) Limited is acting as lead manager to the Placement. Titan will provide shareholders with an update in respect to the status and progress of the Placement by way of further ASX announcements.

In addition, Titan will seek to enter into a credit committee approved term sheet or subscription commitments with a view to undertaking a debt financing to raise gross proceeds of not less than US\$10 million (the "Debt Commitment"). The financing may be comprised of a credit facility or other borrowing. Completion of the debt financing would be subject to customary conditions precedent, including (i) completion of the Increased Offer; and (ii) completion of the Placement detailed above. Titan will provide shareholders with an update in respect to the status and progress of the Debt Commitment by way of further ASX announcements.

The Company advises that the ongoing voluntary suspension in the Company's securities will continue pending the release of announcements regarding the outcome of the Placement and an update in respect to the Debt Commitment.

Availability of documents related to the Offer

The Offering Circular and other information about the Offer are available on Core's profile on SEDAR as well as on Titan Minerals website: <https://www.titanminerals.com.au/>.

Advisers

Titan has engaged Bacchus Capital Advisers Ltd as its exclusive financial and strategic adviser, from a mergers and acquisitions perspective, in connection with the Offer and the Increased Offer. Fasken Martineau DuMoulin LLP is acting as Canadian legal counsel and DLA Piper LLP (Australia) is acting as Australian legal counsel.

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About Titan Minerals Limited

Titan Minerals is a gold and copper explorer and the owner and operator of a gold treatment business in a well-established mining region of Southern Peru. A centralized processing plant produces loaded carbon from a CIP gold circuit, with feed previously averaging 17 to 24g/t gold head grades sourced from licensed third party operators.

Titan's gold assets include the wholly-owned Coriorcco and Torrecillas exploration projects and an exclusive right to acquire an 85% interest in the Las Antas gold project (refer to Titan's ASX release dated 14 January 2019). The Coriorcco and Las Antas areas are key projects within a district of high-grade gold and silver veins located within trucking distance of Titan's Vista gold plant.

Titan is continuously evaluating projects within Peru for acquisition or joint venture to both provide additional, low cost gold and silver mineralized material feed for existing processing facilities and opportunities for processing growth and expansion. In addition, Titan shall also continue to evaluate projects elsewhere in gold, copper and other commodities to grow shareholder value.

Website: www.titanminerals.com.au

About Core Gold Inc

Core Gold is a Canadian based mining company involved in the mining, exploration and development of mineral properties in Ecuador. The Company is currently focused on gold production at its wholly-owned Dynasty Goldfield mining unit and continued development at its underground Zaruma mine. Mineral is treated at the Company's wholly-owned Portovelo treatment plant close to the Zaruma mine operations.

The Company also owns other significant gold exploration projects including the Linderos and Copper Duke

projects in southern Ecuador all of which are on the main Peruvian Andean gold-copper belt extending into Ecuador.

Core Gold is currently the largest producer of gold in Ecuador.

Website: www.coregoldinc.com

Important information

No Titan shares will be delivered pursuant to the Increased Offer to any person who is, or appears to Titan to be, a resident of any country other than Canada unless such Titan shares may be lawfully delivered to persons resident in such foreign country without further action by Titan. Core shareholders who are resident in the United States, or who appear to Titan to be resident in the United States, may only receive cash for their Core shares unless Titan is satisfied that the Titan shares may be delivered in a manner that is exempt from registration under applicable securities laws (federal and state) and in a manner that requires no regulatory filings by Titan.

Any securities issued in the debt financing and equity private placement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the "United States" (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

Cautionary Note Regarding Forward-Looking Statements

Forward looking statements or information in this announcement include, among other things, statements regarding the market reaction to the Offer; Titan's ability to achieve its goals, including receipt of necessary securityholder approvals and completion of financings.

In making the forward looking information or statements contained in this announcement, assumptions have been made regarding, among other things: general business, economic and mining industry conditions; interest rates and foreign exchange rates; the continuing accuracy of mineral resource estimates; geological and metallurgical conditions (including with respect to the size, grade and recoverability of mineral resources); the supply and demand for commodities and precious metals and the level and volatility of the prices of gold; market competition; the ability of the Titan to raise sufficient funds from capital markets and/or debt to meet its financing conditions and future obligations and planned activities and that unforeseen events do not occur, the stability and predictability of the political environments and legal and regulatory frameworks in Ecuador and Peru including with respect to, among other things, the ability of Titan and Core Gold to obtain, maintain, renew and/or extend required permits, licences, authorizations and/or approvals from the appropriate regulatory authorities; that contractual counterparties perform as agreed; and the ability of Titan and Core Gold to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet its demand.

Actual results could differ materially from those anticipated in the forward-looking information or statements contained in this announcement as a result of risks and uncertainties (both foreseen and unforeseen), and should not be read as guarantees of future performance or results, and will not necessarily be accurate indicators of whether or not such results will be achieved. These risks and uncertainties include the risks normally incidental to exploration and development of mineral projects and the conduct of mining operations (including exploration failure, cost overruns or increases, and operational difficulties resulting from plant or equipment failure, among others); the inability to obtain required financing when needed and/or on acceptable terms or at all; risks related to operating in South America, risks related to title to mineral properties; the risk of adverse changes in commodity prices; the risk that the exploration for and development of mineral deposits may not be successful; the inability of either company to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the legal and regulatory frameworks including adverse or arbitrary changes in applicable laws or regulations or in their enforcement; competitive conditions in the mineral exploration and mining industry; that mineral resource estimates are only estimates and actual metal produced may be less than estimated in a mineral resource; the risk that Titan or Core Gold will be unable to

delineate additional mineral resources; risks related to environmental regulations and cost of compliance, as well as costs associated with possible breaches of such regulations; uncertainties in the interpretation of results from drilling; the possibility that future exploration, development or mining results will not be consistent with expectations; inflation pressures which may increase the cost of production or of consumables beyond what is estimated in studies and forecasts; changes in exchange and interest rates; risks related to the activities of artisanal miners, whose activities could delay or hinder exploration or mining operations; the risk that third parties to contracts may not perform as contracted or may breach their agreements; the risk that plant, equipment or labour may not be available at a reasonable cost or at all, or cease to be available, or in the case of labour, may undertake strike or other labour actions; the inability to attract and retain key management and personnel; and the risk of political uncertainty, terrorism, civil strife, or war in the jurisdictions in which Titan or Core Gold operates, or in neighbouring jurisdictions which could impact on Titan or Core Gold's exploration, development and operating activities.

Although the forward-looking statements contained in this announcement are based upon what Titan believe are reasonable assumptions, Titan cannot provide assurance that actual results or performance will be consistent with these forward-looking statements. The forward-looking information and statements included in this announcement are expressly qualified by this cautionary statement and are made only as of the date of this announcement. Titan has no obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

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