

Moneta to Acquire Garrison Project from O3 Mining to Create a Leading Canadian Gold Development Company with 4.0m Oz Gold Indicated and 4.4m Oz Gold Inferred

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Toronto, January 14, 2021 - [Moneta Porcupine Mines Inc.](#) (TSX: ME) (OTC PINK: MPUCF) (FSE: MOP) ("Moneta" or the "Company") is pleased to announce that the Company has entered into a definitive share purchase agreement (the "Purchase Agreement") with O3 Mining Inc. (TSX.V:OIII; OTCQX:OQMGF) ("O3 Mining") pursuant to which Moneta will acquire all of the issued and outstanding shares of [Northern Gold Mining Inc.](#), a wholly-owned subsidiary of O3 Mining, which owns 100% of the Golden Bear assets, including the Garrison Gold project ("Garrison") located adjacent to and contiguous with Moneta's Golden Highway project in the Timmins Gold Camp (the "Transaction").

Under the terms of the Purchase Agreement, O3 Mining shall receive approximately 150 million common shares of Moneta ("Moneta Shares"). Upon completion of the Transaction, and prior to the financing described below, O3 Mining is expected to own approximately 30% of the outstanding Moneta shares.

Concurrent with the Transaction, Moneta will raise approximately \$20 million in equity.

Transaction Highlights:

- Creation of a leading gold exploration and development company with 3,967,000 ounces (oz) gold (Au) in the indicated category and 4,399,000 oz Au in the inferred category located in the prolific Timmins Gold Camp
 - 3,335,000 oz Au open pit indicated gold resources and 2,270,000 oz Au open pit inferred gold resources
 - 632,000 oz Au underground indicated gold resources and 2,129,000 oz Au underground inferred gold resources
- Addition of 1,822,000 oz Au in the indicated category and 1,062,000 oz Au in the inferred category to Moneta's mineral inventory immediately adjacent to the Golden Highway project
- Substantial development and operating synergies through an integrated project
 - Potential for a much larger scale project than originally envisioned for the Preliminary Economic Assessment ("PEA") on the South West deposit announced in September 2020
 - Potential starter pit at Garrison with outcropping gold resources at higher grades and a lower strip ratio to augment the development of Moneta's open pit resources
- Addition of 9,269 hectares (ha) (92.69 square kilometres (sq.km)) of adjacent and contiguous prospective ground to Moneta's claim base in the Timmins Gold Camp
- Concurrent \$20 million equity financing to fund an aggressive drill campaign
- Enhanced capital markets profile and exposure
- Platform for further district consolidation

Gary O'Connor, CEO of Moneta, commented; "The acquisition of the Golden Bear assets will transform Moneta into one of the largest gold development companies in North America with a significant resource and land holding in Canada's most prolific gold mining camp. The Golden Bear assets, including the Garrison Gold deposits, are adjacent to our flagship Golden Highway project and provide significant synergies and multiple options for the development of our gold resources. Moneta will hold 3,967,000 ounces of indicated gold resources and 4,399,000 million ounces of inferred gold resources including both high-grade bulk tonnage underground deposits and near surface open pit resources. With completion of the proposed equity financing, the Company will be well funded to test the expansion potential of the integrated project. The Transaction provides a good endorsement of our project and adds a highly successful project development company as a partner".

José Vizquerra, President and CEO of O3 Mining, commented: "O3 Mining is pleased to unlock value for our

shareholders through our investment in, and support of, Moneta, and the possible future development of a large and long-life gold project in Timmins, Ontario - one of Canada's most productive gold camps. The consolidation of these two historically fractioned mining camps will allow for a more systematic exploration strategy going forward, and unlock value for our shareholders and other Moneta shareholders alike as the project develops. We look forward to partnering with Moneta's management team, through our board representation, and being part of Moneta's growth story in the Timmins Mining Camp, in our role as a significant shareholder".

Benefits to Shareholders

The Transaction is expected to result in the following benefits for our shareholders:

- One of the largest undeveloped gold mining projects in North America
- Potential for a much larger scale project than originally envisioned in the PEA studies recently completed on the Golden Highway and Garrison gold projects (The "Tower Gold Project") with substantial economic benefits to be realized from operational and development synergies
- Land position increased by 73% for resource expansion in the prolific Timmins Gold Camp
- Potential starter pit at Garrison containing 1,070,000 oz Au at a grade of 1.04 g/t Au at a low strip ratio (2.7:1) and a cash production cost of US\$721/oz of Au with outcropping gold mineralization to augment the development of Moneta's open pit resources
- Significant increase of gold resources in the indicated category
- Combined exploration agreements and consolidation of good working relations with the Wahgoshig First Nation
- Continued resource expansion potential and opportunities

Transaction Details

The Transaction is subject to approval by a simple majority of the votes cast by Moneta shareholders, TSX approval and other closing conditions customary in transactions of this nature.

The Purchase Agreement includes, among other things, mutual non-solicitation provisions, a customary "fiduciary out" provision of Moneta and a right for O3 Mining to match superior proposals and a \$1.42 million termination fee payable by Moneta to O3 Mining under certain circumstances.

Concurrent with closing of the Transaction, Moneta and O3 Mining will enter into an investor rights agreement (the "Investor Rights Agreement") pursuant to which the Moneta board of directors shall be reconstituted to consist of eight individuals with O3 Mining entitled to nominate two directors and one newly appointed independent director to be agreed upon by the parties. Additionally, (i) for so long as O3 Mining holds greater than 25% of the issued and outstanding Moneta Shares, O3 Mining shall have the right to nominate two nominees for election as directors of Moneta; and (ii) for so long as O3 Mining holds greater than 10% of the issued and outstanding Moneta Shares, O3 Mining shall have the right to nominate one nominee for election as a director of Moneta and one nominee to the Technical Committee of the Moneta board of directors to be established following the closing of the Transaction. The Investor Rights Agreement includes, among other things, pre-emptive and top-up rights in favour of O3 Mining, a standstill provision for a period of 2 years and a share transfer restriction provision effective until December 31, 2022.

Moneta appointed a special committee of independent directors to consider and make a recommendation with respect to the Transaction. Based in part on the unanimous recommendation of the special committee of Moneta, the Purchase Agreement has been unanimously approved by the board of directors of Moneta. The Purchase Agreement has also been unanimously approved by the board of directors of O3 Mining. The Moneta board of directors recommends that shareholders vote in favor of the Transaction.

Maxit Capital LP has provided a fairness opinion to the board of directors of Moneta. The fairness opinion stated that, as of the date thereof and, based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration received under the Purchase Agreement is fair, from a financial point of view, to the Moneta shareholders.

Directors of Moneta holding an aggregate of 16.49% of the outstanding shares have entered into customary

voting and support agreements with O3 Mining to vote in favour of the Transaction, subject to certain exceptions.

Moneta also intends to consolidate its share capital on a 6 for 1 basis (the "Consolidation"), subject to the receipt of all necessary approvals, following the closing of the Transaction. The Consolidation Resolution requires approval by not less than two-thirds (66 2/3%) of the votes cast by the Moneta shareholders present in person, or represented by proxy, at Moneta shareholder meeting.

Full details of the Transaction and other business of the Moneta shareholder meeting will be included in a Moneta management information circular that is expected to be mailed to Moneta shareholders in February 2021. It is anticipated that the Moneta shareholder meeting and the closing of the Transaction will take place in the second quarter of 2021.

Moneta Financing

The Company has entered into an agreement with Paradigm Capital Inc. ("Paradigm") and Dundee Goodman Merchant Partners ("Dundee") on behalf of a syndicate of underwriters (together with Paradigm and Dundee, the "Underwriters"), in connection with a "bought deal" private placement offering (the "Bought Deal Offering") for aggregate gross proceeds of approximately C\$17,000,000. The Bought Deal Offering will consist of 30,435,000 common shares of the Company that qualify as "flow-through shares" (within the meaning of subsection 66(15) of the Income Tax Act (Canada)) (the "Flow Through Shares") at a price of C\$0.46 per Flow Through Share and 9,375,000 common shares ("Hard Dollar Shares") at a price of C\$0.32 per Hard Dollar Share.

In addition, the Company has granted the Underwriters an option to purchase that number of additional Flow Through Shares and/or Hard Dollar Shares on the terms described above for additional aggregate gross proceeds of up to approximately C\$2,550,000, exercisable up to 48 hours prior to the closing of the Bought Deal Offering.

Concurrent with the Bought Deal Offering, Moneta is also undertaking a non-brokered private placement (together with the Bought Deal Offering, the "Offerings") of subscription receipts (the "Subscription Receipts") at a price of C\$0.32 per Subscription Receipt for gross proceeds of up to C\$3,000,000. The proceeds from the sale of the Subscription Receipts are expected to be deposited into escrow pending satisfaction of certain escrow release conditions, including closing of the Transaction. At the time the Transaction closes, each Subscription Receipt will be exchanged for one common share of the Company.

The Company will use an amount equal to the gross proceeds received by the Company from the sale of the Flow Through Shares, pursuant to the provisions in the Income Tax Act (Canada), to incur or be deemed to incur eligible "Canadian exploration expenses" that qualify as "flow-through mining expenditures" as both terms are defined in the Income Tax Act (Canada) (the "Qualifying Expenditures") on future and current properties of the Company or a subsidiary thereof on or before December 31, 2022, and to renounce all the Qualifying Expenditures in favour of the subscribers of the Flow Through Shares effective on or before December 31, 2021. The proceeds from the sale of the Hard Dollar Shares and Subscription Receipts will be used for exploration and development activities on future and current properties of the Company or a subsidiary thereof and for general corporate purposes.

The Bought Deal Offering is expected to close on or about February 4, 2021. The Offerings are subject to certain closing conditions including the approval of the Toronto Stock Exchange. All securities issued pursuant to the Offerings will have a hold period of four months and one day.

Completion of the Transaction is not contingent on completion of the Offerings and completion of the Bought Deal Offering is not contingent on completion of the Transaction.

The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state security laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable state securities laws or compliance with requirements of an applicable exemption therefrom. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale

of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Advisors

Moneta has engaged Maxit Capital LP ("Maxit") as its financial advisor and Stikeman Elliott LLP as its legal counsel. Maxit has provided a fairness opinion to the Board of Directors of Moneta that, subject to the assumptions, limitations, and qualifications set out therein, the consideration paid by Moneta is fair, from a financial point of view to Moneta. O3 Mining has engaged Sprott Capital Partners LP as its financial advisor and Bennett Jones LLP as its legal counsel. Cassels Brock & Blackwell LLP is acting as counsel for the Underwriters.

Webcast Details

Management will host a webcast and conference call to discuss the results of the transaction accompanied by José Vizquerra, President and CEO of O3 Mining, on Thursday January 14th, 2021 at 11:00 am (EST).

Conference call number
Toll Free Dial-In Number: (833) 772-0367
International Dial-In Number: (343) 761-2596

Webcast Link
<https://onlinexperiences.com/Launch/QReg/ShowUUID=9233F573-2D68-4C1A-9191-A13B5FABEFEF>

A replay of the conference call will be available at 2:00 pm on the Company's website and by calling (800) 585-8367 or (416) 621-4642, Conference ID 9741619.

About the Golden Bear Assets

O3 Mining holds 9,269 ha of prospective land within the Golden Bear project located adjacent to or in near proximity to Moneta's Golden Highway project, 100 km east of Timmins. O3 Mining completed an updated resource estimate and preliminary economic assessment (PEA) study on the Garrison Gold project within the Golden Bear project in December 2020. The study highlighted a measured and indicated open pit resource of 1,822,000 ounces contained within 66.3 Mt @ 0.86 g/t Au and an inferred open pit resource of 1,062,000 ounces contained within 45.3 Mt @ 0.73 g/t Au at a 0.30 g/t Au cut-off. The PEA study showed an open pit mining operation consisting of a 12-year mine life with an after-tax NPV5% of C\$321MM, IRR of 33% and a 2.3 year payback. The project envisaged open pit mining producing 121,000 oz/pa in years 1 to 8 (94,000 oz/pa LOM), at a strip ratio of 2.7:1 at a cash cost of US\$721/oz using a gold price of US\$1,450/oz and an exchange rate of C US\$0.75/C\$.

About Moneta

Moneta's land package in the Timmins Gold Camp covers 12,742 hectares (ha) including six gold projects plus a joint venture with Kirkland Lake Gold Corporation (TSX: KL) covering 4,334 ha. The Company's flagship project, Golden Highway Gold Project is located 100 km east of Timmins and hosts a total indicated resource of 2,145,000 ounces gold contained within 55.3 Mt @ 1.21 g/t Au and a total of 3,337,000 ounces gold contained within 49.7 Mt @ 2.09 g/t Au in the inferred category at a 2.60 g/t Au at South West, 3.00 g/t Au cut-off for the other underground deposits and 0.30 g/t Au for the open pit deposits. The project includes a total of 1,512,000 ounces of open pit indicated resources contained within 50.5 Mt @ 0.93 g/t Au and 1,207,000 ounces of open pit inferred resources contained within 34.0 Mt @ 1.10 g/t Au. The project also includes 632,000 ounces of indicated underground resources contained within 4.9 Mt @ 4.05 g/t Au and 2,128,000 ounces of inferred underground resources within 15.7 Mt @ 4.21 g/t Au.

A PEA study was completed in September 2020 on the South West underground gold deposit, one of 6 deposits located on the Golden Highway project, and highlighted an underground bulk mining operation consisting of an 11-year mine life with an after-tax NPV5% of C\$236MM, IRR of 30% and a 3.4 year payback, generating C\$371MM LOM after-tax free cash flow. The project envisaged producing 76,000 oz/pa

at a cash cost of US\$590/oz at a gold price of US\$1,500/oz and an exchange rate of US\$0.77/C\$. The open pit resources and new underground discoveries have not yet been subjected to a preliminary economic assessment study at Golden Highway.

Table 1: New Moneta; Mineral Resources

Deposit	Open Pit			Underground		
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)
South West*						
Indicated				4,530,000	4.07	592,000
Inferred				9,607,000	4.01	1,238,000
Windjammer South*						
Indicated	40,582,000	0.84	1,100,000	6,000	3.90	1,000
Inferred	28,956,000	1.10	1,028,000	143,000	4.06	19,000
Westaway/West Block*						
Indicated						
Inferred				4,367,000	4.71	662,000
55*						
Indicated	9,896,000	1.30	413,000			
Inferred	5,079,000	1.10	180,000	123,000	4.65	18,000
Discovery*						
Indicated				141,000	3.49	16,000
Inferred				658,000	4.00	85,000
Windjammer North*						
Indicated				182,000	3.98	23,000
Inferred				813,000	4.08	107,000
Garcon**						
Indicated	20,923,000	0.82	552,000			
Inferred	7,056,000	0.87	197,000			
903**						
Indicated	27,558,000	0.84	747,000			
Inferred	30,760,000	0.69	682,000			
Jonpol**						
Indicated	17,786,000	0.91	523,000			
Inferred	7,521,000	0.76	183,000			
Total Indicated	116,745,000	0.89	3,335,000	4,859,000	4.05	632,000
Total Inferred	79,372,000	0.89	2,270,000	15,711,000	4.21	2,129,000

*Micon International Ltd, December 08, 2020, **Ausenco Engineering Canada Ltd, December 14, 2020

Figure 1: Moneta: Timmins Gold Camp Claims

To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/4852/72051_9bd2138cd406699a_002full.jpg

Figure 2: Moneta; Mineral Resource Location Map

To view an enhanced version of Figure 2, please visit:
https://orders.newsfilecorp.com/files/4852/72051_9bd2138cd406699a_003full.jpg

Qualified Persons

The scientific and technical information contained in this news release relating to Moneta has been approved by Mr. Kevin Montgomery, P.Geo, who is a qualified person within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

The scientific and technical information contained in this news release relating to O3 Mining has been approved by Mr. Louis Garipey, Eng. (OIQ #107538), VP Exploration, who is a qualified person within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

For additional information, including with respect to the key assumptions, parameters and methods used in respect of the resource estimate for Moneta's Golden Highway Project, refer to the technical report entitled "An Updated Mineral Resource estimate and preliminary economic assessment for the South West Deposit at the Golden Highway Project Michaud and Garrison Townships, Black River - Matheson Area, Northeastern Ontario", effective September 09, 2020 and dated October 21, 2020 available on SEDAR and press release ME PR-24-2020 dated December 10, 2020 entitled "Moneta reports NI 43-101 Golden Highway Resource Update", both of which are available on SEDAR (www.sedar.com) under Moneta's issuer profile and on Moneta's website at www.monetaporcupine.com. The NI 43-101 technical report being prepared by Micon International Ltd for the December 10, 2020 resource update is due to be filed on SEDAR (www.sedar.com) and Moneta's website by January 24, 2021. Mr. B. Terrence Hennessey, P.Geo. of Micon is the independent "qualified person" responsible for the completion of the updated mineral resource estimation.

For additional information, including with respect to the key assumptions, parameters and methods used in respect of the resource estimate and PEA for O3 Mining's Garrison Project in the Kirkland Lake region in Ontario, Canada, please refer to the press release prepared by O3 Mining on December 14, 2020. A NI 43-101 technical report is being prepared by Ausenco Engineering Canada Inc., which will be filed on SEDAR (www.sedar.com) under O3 Mining's issuer profile and on O3 Mining's website by January 28, 2021. The PEA has been prepared by Ausenco with input from the following qualified persons who are independent of O3 Mining for purposes of NI 43-101: Tommaso Roberto Raponi, P.Eng, Process and Infrastructure; Scott Elfen, P.E., Tailings and Water Management; Mike Petrina, P.Eng, Mining; Sue Bird, P.Eng, Resource Estimate; and Scott Weston, P.Eng, Environment.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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416-357-3319

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647-456-9223

The Company's public documents may be accessed at www.sedar.com. For further information on the Company, please visit our website at www.monetaporcupine.com or email us at info@monetaporcupine.com.

This news release includes certain forward-looking information and forward-looking statements, collectively "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements include, but are not limited to information with respect to the closing of the Transaction, the benefits of the Transaction, mailing the information circular, the shareholder meeting, the completion of the Consolidation, closing of the Offerings, tax treatment of the Flow Through Shares, use of proceeds of the Offerings, the future performance of the business, its operations and financial performance and condition such as the Company's drilling program and the timing and results thereof; and the ability of the Company to finance and carry out its anticipated goals and objectives.

Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward looking-statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements.

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