

Goldshore Resources Inc. Completes Reverse Takeover Transaction

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Acquisition of Moss Lake Gold Project from Wesdome Gold Mines Ltd.

Common Shares Expected to Commence Trading on the TSX Venture Exchange Shortly

VANCOUVER, May 31, 2021 - Goldshore Resources Inc. (formerly [Sierra Madre Developments Inc.](#)) ("Goldshore" or the "Company"), announces that it has completed its previously announced reverse takeover of a company formerly named Goldshore Resources Inc. ("Former Goldshore"), a private company with a mandate to identify and evaluate mining related projects in North America (the "Business Combination"). The Business Combination constitutes the Company's Reverse Takeover (as defined by Policy 5.2 of the TSX Venture Exchange (the "TSXV")) and was completed pursuant to the terms of an amalgamation agreement dated January 25, 2021, as amended and restated on February 16, 2021 (the "Amalgamation Agreement"), among the Company, 1284403 B.C. Ltd., a wholly owned subsidiary of the Company ("BC Sub"), and Former Goldshore.

In connection with the Business Combination, the Company has changed its name to "Goldshore Resources Inc."

"Today is a historic day in the short evolution of Goldshore, and we are truly excited by the closing of the various components of our going public transaction. We are now positioned as an emerging junior gold company; the required working capital to expeditiously advance exploration of the project; and an extremely strong and proven management, board and advisory board, with a view to updating a historic 2013 preliminary economic assessment in the next 24 months," said Brett Richards, President and Chief Executive Officer. Mr. Richards added: "We are also excited to develop this new strategic partnership with Wesdome (Wesdome holding a 30% equity stake in Goldshore) and we are confident that under the stewardship of both Goldshore's experienced management team and Wesdome, collectively, we will aim to deliver significant long-term value for both Goldshore and Wesdome stakeholders."

Prior to the Business Combination taking effect:

- the Company consolidated its common shares (the "Common Shares") on the basis of 6 old Common Shares into one new Common Share;
- each subscription receipt (the "Goldshore Subscription Receipts") issued by Former Goldshore in connection with the previously-announced brokered private placement of 23,076,924 Goldshore Subscription Receipts at a price of \$0.65 per Goldshore Subscription Receipt was converted into one common share in the capital of Former Goldshore (the "Former Goldshore Shares"); and
- Former Goldshore completed the acquisition (the "Asset Acquisition") of a 100% interest in the Moss Lake gold project ("Moss Lake" or the "Project"), located in Ontario, Canada, from Wesdome Gold Mines Ltd. ("Wesdome").

Following completion of the Business Combination, each subscription receipt (the "Sierra Madre Subscription Receipts") issued by the Company in connection with the previously-announced brokered private placement of 13,333,335 Sierra Madre Subscription Receipts at a price of \$0.75 per Sierra Madre Subscription Receipt was converted into one flow-through Common Share.

Following the conversion of the Goldshore Subscription Receipts and the Sierra Madre Subscription Receipts, an aggregate of \$24,350,286 was released from escrow. Following completion of the Asset Acquisition and payment of expenses related to the Asset Acquisition and the Business Combination, the Company expects to have a cash position of approximately \$13,100,000.

The Business Combination was completed by way of a "three-cornered" amalgamation pursuant to the provisions of the Business Corporations Act (British Columbia) (the "Amalgamation"). Pursuant to the Amalgamation, all Former Goldshore Shares were exchanged for Common Shares on a one-for-one basis and Former Goldshore and BC Sub amalgamated, with the resulting entity to continue as a wholly-owned

subsidiary of the Company.

In conjunction with the closing of the Business Combination, Baker Tilly WM LLP will resign from its role as auditor of the Company and the auditor of Former Goldshore, Davidson & Company LLP, will be appointed as auditor of the Company. In the opinion of the Company, no "reportable event" (as such term is defined in National Instrument 51-102 Continuous Disclosure Obligations) has occurred.

The Company's Common Shares are expected to commence trading on the TSXV, upon satisfaction of certain TSXV conditions to listing, under the symbol "GSHR". A further press release will be issued once trading has commenced.

Following the Business Combination, the leadership team of the Company is as follows:

- Brett A. Richards - President, Chief Executive Officer and Director
- Gavin Cooper - Chief Financial Officer
- Peter Flindell - Vice President of Exploration
- Doug Ramshaw - Director
- Victor Cantore - Director
- Galen McNamara - Director
- Shawn Khunkhun - Director
- Brandon Macdonald - Director
- Joanna Pearson - Director
- Michael Michaud - Director (Wesdome Appointee)
- Heather Laxton - Director (Wesdome Appointee)

Each of the directors other than Joanna Pearson were elected to the board of the Company at the shareholders' meeting held on March 29, 2021, subject to completion of the Business Combination. Upon closing of the Business Combination, the board increased its size by one and appointed Joanna Pearson as a director, pursuant to its limited authority under the Business Corporations Act (British Columbia).

As described in the Company's filing statement dated May 26, 2021 available under the Company's profile on SEDAR at www.sedar.com (the "Filing Statement"), certain of the Common Shares are subject to escrow requirements seed share resale restrictions in accordance with TSXV Policy 5.4 - Escrow, Vendor Considerations and Resale Restrictions and voluntary 36-month resale restrictions.

Additional information related to the Asset Acquisition and the Business Combination (including additional information regarding the members of the management team and board of directors listed above) is available in the Filing Statement.

On closing of the Business Combination, options ("Options") to purchase up to an aggregate of 9,700,000 Common Shares were granted to certain directors, officers, consultants and advisors of the Company. Each Option is exercisable into one Common Share at an exercise price of \$0.65. The Options will expire five years from the date of the Final Exchange Bulletin in connection with the Business Combination. All Options were granted in accordance with Company's stock option plan (the "Plan"). A copy of the Plan is available under the Company's SEDAR profile at www.sedar.com.

About Goldshore

Goldshore is an emerging junior gold company, and owns the Moss Lake Gold Project located in Ontario. Wesdome Gold Mines Ltd. is currently a strategic shareholder of Goldshore with an approximate 30% equity position in the Company. Well-financed after having completed a C\$25 million financing and supported by an industry-leading management group, board of directors and advisory board, Goldshore is positioned to advance the Moss Lake Gold Project through the next stages of exploration.

About the Moss Lake Gold Project

The Project is located approximately 100 km west of the city of Thunder Bay, Ontario. It is accessed via

Highway 11 which passes within 1 km of the property boundary to the north. The Project consists of 282 unpatented and patented mining claims that are 100% owned by Wesdome's subsidiary, Moss Lake Gold, and cover 14,292 hectares.

Moss Lake hosts a number of gold and base metal rich deposits including the Moss Lake Deposit, the East Coldstream Deposit (Table 1), the historically producing North Coldstream Mine (Table 2), and the Hamlin Zone, all of which occur over a mineralized trend exceeding 20 km in length. A historical preliminary economic assessment was completed on Moss Lake in 2013 and published by Moss Lake Gold¹. A historical mineral resource estimate was completed on the East Coldstream Deposit in 2011 by Foundation Resources Inc^{2,3}. In addition to these zones, the Project also hosts a number of under-explored mineral occurrences which are reported to exist both at surface and in historically drilled holes. The Moss Lake Deposit is a shear-hosted disseminated-style gold deposit which outcrops at surface. It has been drilled over a 2.5 km length and to depths of 300 m with 376 holes completed between 1983 and 2017. The last drilling program conducted in 2016 and 2017 by Wesdome, which consisted of widely spaced holes along the strike extension of the deposit was successful in expanding the mineralized footprint and hydrothermal system 1.6 km to the northeast. Additionally, the deposit remains largely open to depth. In 2017, Wesdome completed an induced polarization survey which traced the potential extensions of pyrite mineralization associated with the Moss Lake Deposit over a total strike length of 8 km and spanning the entire extent of the survey grids. Historic drill hole highlights from the Moss Lake Deposit include 11.3 g/t Au over 70.4m in L-08-01, 2.55 g/t Au over 71.3 m in 89-172, and 1.19 g/t Au over 163.1 m in 87-101.

The East Coldstream Deposit is a shear-hosted disseminated-style gold deposit which locally outcrops at surface. It has been drilled over a 1.3 km length and to depths of 200 m with 138 holes completed between 1988 and 2017. The deposit remains largely open at depth and may have the potential for expansion along strike. Historic drill hole highlights from the East Coldstream Deposit include 4.86 g/t Au over 27.3 m in C-10-15.

The historically producing North Coldstream Mine is reported to have produced significant amounts of copper, gold and silver⁴ from mineralization with potential iron-oxide-copper-gold deposit style affinity. The exploration potential immediately surrounding the historic mining area is not currently well understood and historic data compilation is required.

The Hamlin Zone is a significant occurrence of copper and gold mineralization, and also of potential iron-oxide-copper-gold deposit style affinity. Between 2008 and 2011, Glencore tested Hamlin with 24 drill holes which successfully outlined a broad and intermittently mineralized zone over a strike length of 900 m. Historic drill hole highlights from the Hamlin Zone include 0.9 g/t Au and 0.35% Cu over 150.7 m in HAM-11-75.

The Moss Lake, East Coldstream and North Coldstream deposits sit on a mineral trend marked by a regionally significant deformation zone locally referred to as the Wawiag Fault Zone in the area of the Moss Lake Deposit. This deformation zone occurs over a length of approximately 20 km on the Project and there is an area spanning approximately 7 km between the Moss Lake and East Coldstream deposits that is significantly underexplored.

Table 1: Historical Mineral Resources^{1,2,3}

	INDICATED			INFERRED		
Deposit	Tonnes	Au g/t	Au oz	Tonnes	Au g/t	Au oz
Moss Lake Deposit ¹ (2013 resource estimate)						
Open Pit Potential	39,795,000	1.1	1,377,300	48,904,000	1.0	1,616,300
Underground Potential	-	-	-	1,461,100	2.9	135,400
Moss Lake Total	39,795,000	1.1	1,377,300	50,364,000	1.1	1,751,600
East Coldstream Deposit ² (2011 resource estimate)						
East Coldstream Total	3,516,700	0.85	96,400	30,533,000	0.78	763,276
Combined Total	43,311,700	1.08	1,473,700	80,897,000	0.98	2,514,876

Notes:

- (1) Source: Poirier, S., Patrick, G.A., Richard, P.L., and Palich, J., 2013. Technical Report and Preliminary Economic Assessment for the Moss Lake Project, 43-101 technical report prepared for Moss Lake Gold Mines Ltd. Moss Lake Deposit resource estimate is based on 0.5 g/t Au cut-off grade for open pit and 2.0 g/t Au cut-off grade for underground resources.
- (2) Source: McCracken, T., 2011. Technical Report and Resource Estimate on the Osmani Gold Deposit, Coldstream Property, Northwestern Ontario, 43-101 technical report prepared for Foundation Resources Inc. and Alto Ventures Ltd. East Coldstream Deposit resource estimate is based on a 0.4 g/t Au cut-off grade.
- (3) The reader is cautioned that the above referenced "historical mineral resource" estimates are considered historical in nature and as such is based on prior data and reports prepared by previous property owners. A qualified person has not done sufficient work to classify the historical estimates as current resources and Goldshore is not treating the historical estimates as current resources. Significant data compilation, re-drilling, re-sampling and data verification may be required by a qualified person before the historical estimate on the Project can be classified as a current resource. There can be no assurance that any of the historical mineral resources, in whole or in part, will ever become economically viable. In addition, mineral resources are not mineral reserves and do not have demonstrated economic viability. Even if classified as a current resource, there is no certainty as to whether further exploration will result in any inferred mineral resources. Reported historical production indicated for the Moss Lake Deposit category.

Deposit	Tonnes	Cu %	Au g/t	Ag	Cu lbs	Au oz	Ag oz
Historical Production	2,700,000	1.89	0.56	5.59	102,000,000	44,000	440,000

Note:

- (4) Source: Schlanka, R., 1969. Copper, Nickel, Lead and Zinc Deposits of Ontario, Mineral Resources Circular No. 12, Ontario Geological Survey, pp. 314-316.

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Cautionary Note Regarding Forward-Looking Statements

Galen McNamara, P.Geo, Director of the Company, a qualified person under NI 43-101 has approved the

scientific and technical information contained in this news release.

This news release contains statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this news release include, among others, statements relating to expectations regarding the listing on the TSXV, the completion of a preliminary economic assessment, the business plans of the Company, the composition of management, the board and advisory board of the Company and other statements that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: the Company may require additional financing from time to time in order to continue its operations which may not be available when needed or on acceptable terms and conditions acceptable; compliance with extensive government regulation; domestic and foreign laws and regulations could adversely affect the Company's business and results of operations; the stock markets have experienced volatility that often has been unrelated to the performance of companies and these fluctuations may adversely affect the price of the Company's securities, regardless of its operating performance; and the impact of COVID-19.

The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. 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 state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The TSXV has in no way passed upon the merits of the Business Combination and has neither approved nor disapproved the contents of this press release.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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