

Melior Resources Inc. Provides Update on RTO Transaction with Rancho Gold Corp.

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TORONTO, July 13, 2021 - [Melior Resources Inc.](#) (TSXV: "MLR") ("Melior" or the "Company") provides the following update on the reverse take-over transaction (the "Transaction") with [Rancho Gold Corp.](#) ("Rancho") pursuant to which Melior will acquire all of the issued and outstanding securities of Rancho by way of a three-cornered amalgamation in accordance with the terms and conditions of the amalgamation agreement dated February 17, 2021, as amended, between Melior, Rancho and 1274169 B.C. Ltd. ("Melior Newco"), a wholly-owned subsidiary of Melior, as more particularly described in the Company's news releases dated November 2, 2020 and February 18, 2021.

Pursuant to the Transaction, Rancho will amalgamate with Melior Newco, and Melior will acquire all of the outstanding common shares of Rancho (the "Rancho Shares") from the Rancho shareholders in exchange for post-consolidation common shares of Melior (the "Resulting Issuer Shares") on the basis of one Resulting Issuer Share for one Rancho Share. An aggregate of approximately 47,444,998 Resulting Issuer Shares will be issued to Rancho shareholders, excluding the Resulting Issuer Shares to be issued pursuant to the Concurrent Financing (as defined below). Following the Transaction, Melior (the "Resulting Issuer") will continue the business of Rancho. The completion of the Transaction is subject to a number of conditions precedent, as described in the news releases of the Company dated November 2, 2020 and February 18, 2021. Prior to the completion of the Transaction, Melior intends to consolidate its common shares (the "Consolidation") on the basis of 32.6764 pre-consolidation common shares for one post-consolidation common share of Melior.

The completion of the Transaction remains subject to the approval of the TSX Venture Exchange (the "TSXV").

At least seven business days prior to the closing of the Transaction, the Company will file a filing statement providing comprehensive disclosure regarding the Transaction, as well as the business and assets of Rancho.

Concurrent Financing

Rancho intends to close a brokered and non-brokered private placement (the "Concurrent Financing") of up to 9,090,909 subscription receipts of Rancho (each, a "Subscription Receipt") at a purchase price of \$0.55 per Subscription Receipt for aggregate gross proceeds of up to \$5,000,000, subject to an over-allotment option exercisable by Haywood Securities Inc. (the "Agent") for an additional \$1,000,000 of Subscription Receipts on or about Wednesday, July 14, 2021. More details regarding the Concurrent Financing can be found in the news release of the Company dated November 2, 2020.

Each Subscription Receipt entitles the holder thereof to automatically receive, upon satisfaction of certain escrow release conditions, one Rancho Share, which shall immediately be exchanged for one Resulting Issuer Share upon completion of the Transaction. The Resulting Issuer intends to use the proceeds of the Concurrent Financing for exploration and development of its properties in Mexico and for working capital and general corporate purposes.

Rancho has engaged the Agent as the agent and bookrunner to locate purchasers in the Concurrent Financing on a best-efforts agency basis. In consideration for the services performed by the Agent, Rancho has agreed to pay the Agent: (i) a cash fee equal to 6% of the gross proceeds of the Concurrent Financing excluding the sale of Subscription Receipts to purchasers identified by Rancho; (ii) issue broker warrants (each, a "Broker's Warrant"), equal to 6% of the aggregate number of Subscription Receipts sold pursuant to the Concurrent Financing excluding the sale of Subscription Receipts to purchasers identified by Rancho; and (iii) issue 741,611 Subscription Receipts to the Agent. Rancho also engaged certain finders to locate purchasers to participate in the Concurrent Financing and in consideration for their services agreed to pay a cash fee and issue finder warrants (each, a "Finder's Warrant"). Each Broker Warrant and Finder's Warrant will be exchanged for one warrant of the Resulting Issuer on completion of the Transaction, which will entitle the holder thereof to acquire one Resulting Issuer Share at an exercise price of \$0.55 per Resulting Issuer Share for a period of 24 months from the closing of the Transaction.

The gross proceeds of the Concurrent Financing less certain deductions and 50% of the cash fee payable to

the Agent, applicable taxes and expenses of the Agent incurred in connection with the Concurrent Financing will be held in escrow by TSX Trust Company, the subscription receipt agent, in accordance with the terms of a subscription receipt agreement to be entered into between TSX Trust Company, Ranchero and the Agent, and the remaining portion of the cash fee payable to the Agent and the balance of the gross proceeds will be released to the Agent and Ranchero, respectively, upon the satisfaction of certain escrow release conditions.

In accordance with the policies of the TSXV, the Company also provides the following information regarding the Transaction:

Financial Information Regarding Ranchero

As at December 31, 2020, the most recently completed annual financial period of Ranchero, Ranchero had assets of US\$1,289,316 and total liabilities of US\$869,144, and during the financial year ended December 31, 2020, Ranchero had a comprehensive loss of US\$366,144. The foregoing financial information is derived from the audited consolidated financial statements of Ranchero for the financial years ended December 31, 2020 and 2019.

As at March 31, 2021, Ranchero had assets of US\$2,720,308 and total liabilities of US\$971,442, and during the financial quarter ended March 31, 2021, Ranchero had a comprehensive loss of US\$143,094. The foregoing financial information is derived from the condensed consolidated interim financial statements of Ranchero for the quarters ended March 31, 2021 and 2020.

Principals of the Resulting Issuer

Following the initial announcement of the Transaction on November 2, 2020, there have been certain changes to the planned board of directors and management of the Resulting Issuer. Martyn Buttenshaw, a current director and CEO of Melior, will continue to serve as a director of the Resulting Issuer, and Travis Miller will not be appointed as a new director of the Resulting Issuer. In addition, Ranbir Sall will replace David Miles as the Chief Financial Officer of the Resulting Issuer. The backgrounds of the Principals (as defined in TSXV policies) of the Resulting Issuer are as follows:

William Pincus - President, Chief Executive Officer, and Director

Mr. Pincus was Founder and President of Esperanza Resources that discovered the Cerro Jumil (Mx) and San Luis (Peru) gold deposits. He has worked extensively in Mexico and elsewhere in South America. He is a graduate of the Colorado School of Mines with M.Sc. degrees in Geology and Mineral Economics. He is also a fellow of The Society of Economic Geologists and is a Certified Professional Geologist by the A.I.P.G. Mr. Pincus is a "Qualified Person" as defined in NI 43-101. He is also fluent in Spanish. Mr. Pincus is resident in Colorado.

Ranbir Sall - Chief Financial Officer and Corporate Secretary

Ms. Sall is a chartered professional accountant with experience working with manufacturing and mineral exploration companies. Ms. Sall previously served as the CFO of Naturally Splendid Enterprises Ltd. from July 2019 to December 2019 and as a senior accountant with Seabord Services Corp. from July 2007 to January 2018. Ms. Sall is resident in British Columbia.

Martyn Buttenshaw - Director

Mr. Buttenshaw is a senior mining executive and experienced non-executive director with over 20 years of mining experience, and is currently Chairman & CEO of Melior. Most recently, he was an Operating Partner at Antarctica Capital where he was responsible for managing investments in the metals and minerals sector, with a particular focus upon the raw materials supply chain for the non-fossil fuel energy sector. Previously, Mr. Buttenshaw was a Managing Director with Pala Investments Limited ("Pala"). Additionally, Mr. Buttenshaw has held senior roles with Anglo American in business development and as a senior mining engineer with Rio Tinto. Mr. Buttenshaw is a chartered mining engineer and holds an MBA with distinction from the London Business School and a MEng (First Class) in Mining Engineering from the Royal School of Mines, Imperial College, London. Mr. Buttenshaw is resident in Switzerland.

Gustavo Maz?n - Director and Control Person

Mr. Maz?n is the CEO of the Maz?n family group of companies. He is an experienced executive and successful entrepreneur with a strong focus in growth. He is an expert in good management practices and control implementation. He has had exposure in a wide variety of industries and engaged in large-scale infrastructure projects. He is a director of Tonogold Resources. Mr. Maz?n holds a Bachelor of Business and Finance from the ITESM in Monterrey, Mexico. Mr. Maz?n is resident in Hermosillo, Sonora, Mexico. Mr. Mazon will have control or direction over an aggregate of 42,300,000 Resulting Issuer shares held by certain corporations, and a result will be a Control Person (as defined in TSXV policies) of the Resulting Issuer.

Steven Ristorcelli - Director

Mr. Ristorcelli has over 40 years of experience in minerals exploration and development. For the last 29 years, he has been a principal of Mine Development Associates. His primary focus has been in deposit modeling, identifying and correcting sampling problems, conducting geologic evaluations, and directing exploration programs. He is a "Qualified Person" as defined in NI 43-101. He has worked with a wide variety of commodities including but not limited to gold, silver, copper, base metals and cobalt. Mr. Ristorcelli is resident in Nevada.

Pala Investment Limited - Insider

Pala will hold an aggregate of 8,172,949 Resulting Issuer Shares, and a result will be an Insider (as defined in TSXV policies) of the Resulting Issuer. Pala is a metals and minerals focused investment company, responsible for deal origination, mergers and acquisition, strategy development, and project financing across a range of commodities and metals and mining related industry sectors. Pala is based in Zug, Switzerland.

Shareholder Approval

Melior intends to obtain the shareholder approval of the Transaction, of shareholders holding over 50% of the outstanding common shares of Melior, by way of written consent.

Sponsorship

Pursuant to Policy 2.2 of the TSXV, sponsorship is required in a Reverse Takeover (as defined in the policies of the TSXV). The Resulting Issuer intends, subject to the approval of the TSXV, to rely on an exemption of the sponsorship requirements provided in section 3.4(a)(i) of TSXV Policy 2.2. Management of the Resulting Issuer meets the standards contemplated in section 3.4(a) of TSXV Policy 2.2. In addition, the Resulting Issuer will be a mining company that satisfies the Tier 2 initial listing requirements as provided in TSXV Policy 2.1 and the Santa Daniela property of the Resulting Issuer has a current geological report.

On behalf of the board of directors of the Company:

Martyn Buttenshaw
Interim Chief Executive Officer

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This news release does not constitute an offer to sell and is not a solicitation of an offer to buy any securities in the United States. The securities of the Company and Ranchemo 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 unless pursuant to an exemption from such registration.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance. The Transaction cannot close until all necessary approvals are obtained. 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 management information circular or 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.

The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news 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 release

Cautionary Note Regarding Forward Looking Statements

This news release contains certain forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or does not expect", "is expected", anticipates" or "does not anticipate" "plans", "estimates" or "intends" or stating that certain actions, events or results " may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements contained in this news release may include, but are not limited to, the terms, structure and completion of the Transaction and the completion of the Concurrent Financing.

Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to materially differ from those reflected in the forward-looking statements. These risks and uncertainties include, but are not limited to: risks related to regulatory approval, including the approval of the TSXV, liabilities inherent in mine development and production; geological risks, risks associated with the effects of the COVID-19 virus, the financial markets generally, the satisfaction or waiver of the conditions precedent to the Transaction, the ability of Ranchero to complete the Concurrent Financing, and the ability of the Company to complete the Transaction and obtain requisite TSXV acceptance and shareholder approvals. There can be no assurance that forward-looking statement will prove to be accurate, and actual results and future events could differ materially from those anticipate in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

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