

Moon River Capital Ltd. to Proceed with Previously Announced Proposed Acquisition of 25% Interest in the Endako Molybdenum Mine

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Toronto, April 29, 2024 - [Moon River Capital Ltd.](#) (TSXV: MOO) ("Moon River" or the "Company") is pleased to advise that it intends to proceed with the previously announced share purchase agreement (the "SPA") dated February 28, 2024 with Sojitz Corporation ("Sojitz"), a Japanese multi-national company.

On February 28, 2024 the Company announced its intention to indirectly acquire, through the acquisition of Sojitz Moly Resources Inc. ("SMR") (the "Acquisition"), a wholly-owned subsidiary of Sojitz, (i) a 25% participating interest in the Endako molybdenum mine complex in British Columbia (the "Endako Mine Complex") and (ii) certain funding provided by Sojitz to SMR for the Endako Mine Complex in the aggregate of approximately \$43,010,000.

SMR is the holder of a 25% participating interest in the Endako Mine Complex pursuant to an exploration, development and mine operating agreement dated as of June 12, 1997 (the "JVA") entered into between SMR and Thompson Creek Mining Ltd. (now Thompson Creek Metals Company Inc.) ("TCM"), a subsidiary of Centerra Gold Inc.

The acquisition was subject to the waiver or expiry of an outstanding pre-emptive right relating to SMR's interest in the Endako Mine Complex, which could have been exercised within 60 days of the date notice was provided of the Acquisition. Moon River has received notice from SMR that the pre-emptive right will not be exercised.

Paul Parisotto, President and Chief Executive Officer of Moon River said:

"Acquiring a 25% participating interest in the Endako Mine Complex elevates Moon River's position in the Molybdenum space and compliments our existing asset, the Davidson Property which hosts a large molybdenum-tungsten deposit. Davidson is located near Smithers, British Columbia and the Endako Mine Complex is located 160 km to the southeast of the Davidson Property. This close proximity to the Davidson Project makes this an even more compelling acquisition.

Molybdenum has earned the designation of "Critical Mineral" by the Canadian government as it is essential to Canada's economic security and required for Canada's transition to a low-carbon economy. It plays a crucial role in contemporary industrial technology, which requires stainless steels that can withstand high stress, extreme temperature ranges and highly corrosive environments, without adding excessive extra weight.

Endako is a modern, efficient and established asset and is the largest mine to produce molybdenum in Canada and one of the largest molybdenum mines in North America. We are delighted to have the opportunity to complete this transaction, which is expected to occur within approximately 60 days."

Highlights of the Proposed Acquisition

- Moon River to acquire SMR (including all of its assets and liabilities) which holds a 25% interest in the Endako Mine Complex;
- Sojitz to provide the following funding to SMR:
 - \$15,475,000, representing SMR's current portion of the environmental reclamation security in respect of the Endako Mine Complex;
 - \$25,535,000 to be deposited into trust to fund SMR's future care and maintenance costs and/or future increases to SMR's responsibility for 25% of the environmental and asset retirement obligations for the Endako Mine Complex; and
 - \$2,000,000 in cash; and
- Significant tax losses which could potentially be utilized by SMR in the future;
- Earn-out payments of up to \$10,000,000 in aggregate payable annually by the Company to Sojitz beginning

three years following completion of the Acquisition, subject to the future price of molybdenum as described in more detail below.

The Endako Mine Complex

SMR is the holder of a 25% participating interest in the Endako Mine Complex pursuant to the JVA.

The following information on the Endako Mine Complex is based on public disclosure by Centerra Gold Inc. included in its 2023 Annual Information Form dated March 28, 2024, available on SEDAR+ at www.sedarplus.ca.

TCM holds a 75% interest in and is the manager of the Endako Mine Complex.

The Endako Mine Complex is an open-pit molybdenum mine and concentrator, located approximately 161 kilometres west of Prince George, British Columbia. The infrastructure at the Endako Mine Complex includes a 55,000 tons (50,000 tonnes) per day concentrator, tailings and reclaim water ponds, a crushing plant, waste rock dumps, an administrative building, a truck shop/warehouse, a change house, a first aid station, a laboratory, a garage and other shops. The power supply of the site is provided by a nine-kilometre, 69 kV power line owned by B.C. Hydro from a nearby substation. Water for the milling process is re-circulated from the tailings facility while make-up water is pumped from nearby François Lake. There are no royalties, back-in rights, encumbrances on title or other agreements, other than the JVA.

Operations at the Endako Mine Complex began in 1965 and were suspended in December 2014 as a result of market conditions and the Endako Mine Complex has been held on a care and maintenance basis since July 2015.

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Table 1

The historical mineral resource estimates above were prepared in 2011 and were estimated based on a molybdenum price of \$14.00 per pound and an exchange rate of 1USD:1.25CAD. The open pit mineral resources are constrained by a pit shell and are estimated based on a 0.025% molybdenum cut-off grade. Further information concerning the Endako Mine Complex deposit is described in the technical report dated September 12, 2011, and filed on SEDAR+ at www.sedarplus.ca by TCM. Such technical report describes the exploration history, geology, and style of molybdenum mineralization at the Endako Mine Complex. Sample preparation, analytical techniques, laboratories used, and quality assurance-quality control protocols used during the exploration drilling programs are reported to have been consistent with industry standards and carried out by independent, certified assay labs.

A qualified person has not done sufficient work to classify the historical estimates as current mineral resources and Moon River is not treating the historical estimates as current mineral resources. The scientific and technical content of this news release was reviewed and approved by Brian LeBlanc, P. Eng of A-Z Mining Professionals Ltd., and a "Qualified Person" as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

The Acquisition

Pursuant to the SPA, the Company has agreed to acquire, on an arm's length as is where is basis, all issued and outstanding common shares of SMR in consideration for \$1.00 and four annual earn-out payments (each an "Earn-out Payment") beginning on the third anniversary of completion of the Acquisition and ending on the sixth anniversary of completion of the Acquisition.

Each Earn-out Payment shall be determined based on the average market price of molybdenum for a period from the anniversary of the closing date of the Acquisition in the previous calendar year to the date immediately prior to the next anniversary date, in accordance with the following table:

Table 2

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The Earn-out Payments payable by the Company to Sojitz shall not exceed \$10 million in the aggregate and are payable irrespective of whether or not the Endako Mining Complex is in production at such time. As at the date hereof, the market price of molybdenum is US\$20.50, based on information from the London Metals Exchange.

Sojitz, in turn, has agreed to:

- (i) deposit \$15,475,000, subject to adjustment prior to closing as required by governmental authorities, in a bank account in SMR's name for the purposes of satisfying SMR's reclamation security obligations pursuant to the mine permit for the Endako Mine Complex (the "Environmental Security");
- (ii) deliver approximately \$25,535,000 (the "Trust Funds"), subject to adjustment prior to closing as described below, to TSX Trust Company (the "Trustee") to establish a trust fund administered by the Trustee for the purpose of paying for SMR's share of care and maintenance and other environmental expenses in respect of the Endako Mine Complex following closing; and
- (iii) cause SMR to have funds in a bank account in an amount of \$2,000,000.

The Company, Sojitz and SMR have agreed to enter into a trust indenture with the Trustee pursuant to which the Trust Funds will be placed in an irrevocable single-purpose trust for the exclusive purpose of providing funding for SMR's share of the care and maintenance of the Endako Mine Complex and satisfaction of other environmental obligations of SMR relating to the Endako Mine Complex.

The amount of the Trust Funds shall be determined immediately prior to closing subject to adjustments related to the Environmental Security and payments made by Sojitz with respect to the 2023 and 2024 plans and budgets of the Endako Mine Complex prior to closing.

The Acquisition is subject to a number of conditions precedent, including receipt of all corporate and regulatory approvals (including the approval of the TSX Venture Exchange), and obtaining clearance under the Investment Canada Act.

About Moon River

Moon River is a Canadian-based resource company focused on the acquisition, exploration and development of mineral projects. Moon River is focused on the development of the Davidson Property which hosts a large molybdenum-tungsten deposit and is located near Smithers, British Columbia.

For further information please contact:

Moon River Capital Ltd.

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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.

Forward-Looking Statements:

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-Looking statements are often identified by terms such as "may", "should", "anticipate", "will", "estimates", "believes", "intends", "expects" and similar expressions, which are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward-looking statements concerning the Acquisition, and the Company's ability to close the Acquisition. These forward-looking statements reflect the current views of the Company, represent the expectations of the Company as of the date of this news release, and are based on certain assumptions that the Company has made in respect thereof as at the date of this press release.

Although the Company believes the expectations and material factors and assumptions reflected in these forward-looking statements are reasonable as of the date hereof, there can be no assurance that these expectations, factors and assumptions will prove to be correct. These forward-looking statements are not guarantees of future performance and are subject to a number of known and unknown risks and uncertainties including risks detailed in the Company's Filing Statement and continuous disclosure, which are available on SEDAR+ at www.sedarplus.ca. Accordingly, readers should not place undue reliance on the forward-looking statements contained in this press release.

These risk factors should not be construed as exhaustive. Readers are cautioned that events or circumstances could cause results to differ materially from those predicted, forecasted or projected. The forward-looking statements contained in this document speak only as of the date of this document. The Company does not undertake any obligation to publicly update or revise any forward-looking statements or information contained herein, except as required by applicable laws. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

SOURCE: Moon River Capital Ltd.

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