

# American Creek Announces Non-Binding Letter of Intent and Exclusivity with Cunningham Mining Regarding Proposed Plan of Arrangement

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Consideration of \$0.43 Cdn per Common Share represents a premium of approximately 274%

Cardston, June 6, 2024 - [American Creek Resources Ltd.](#) (TSXV: AMK) ("American Creek" or the "Company"), announces that it has entered into a non-binding and arm's length letter of intent dated June 5, 2024 (the "LOI") with Cunningham Mining Ltd. ("Cunningham"), a private British Columbia corporation, to engage in due diligence and negotiations regarding the terms of a proposed transaction (the "Proposed Transaction") whereby Cunningham, or a subsidiary of Cunningham, would acquire all of the issued and outstanding securities of the Company. Through this proposed transaction, Cunningham would acquire control of the Company's 20% fully carried interest in the Treaty Creek Property which has an Indicated Mineral Resource of 27.87 million ounces (Moz) of AuEQ grading 1.19 g/t AuEQ and an Inferred Mineral Resource of 6.03 Moz of AuEQ grading 1.25 g/t AuEQ (see complete description below). If the parties agree to proceed with the Proposed Transaction, the Company expects the Proposed Transaction will be carried out by way of a court-approved plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia) (the "BCBCA").

The Company's Board of Directors (the "Board"), after an extensive period of negotiation and consideration of various alternatives, has approved entry into the LOI, pursuant to which Cunningham proposes to acquire all the issued and outstanding securities of the Company, including all common shares of the Company (the "Common Shares"), at a price of \$0.43 Cdn per Common Share, payable in cash (the "Consideration"). The Consideration represents a premium of approximately 274% to the \$0.115 Cdn closing price of the Common Shares on the TSX Venture Exchange (the "TSXV") on June 5, 2024 (the last trading day prior to the execution of the LOI). The LOI is non-binding and there can be no assurance that the Proposed Transaction contemplated by the LOI, or any other transaction, will be completed. Closing is subject to a number of conditions and uncertainties described below.

Darren Blaney, CEO of American Creek, stated: "We are excited that Cunningham has recognized the value and the potential of the Treaty Creek Property despite the tough junior market conditions we are currently experiencing. We believe this proposed transaction may provide not only a liquidity event for our longstanding shareholders, but also represents an opportunity for shareholders to potentially realize a 250% plus premium to the present market valuation of their equity in the company. We look forward to working with Cunningham to finalize a definitive agreement in due course that protects and provides value for our shareholders."

Ryan Cunningham, CEO of Cunningham, stated: "With this pending future transaction Cunningham Mining is ushering in the next frontier in terms of tokenization and monetization of in ground mineral resources. We are confident in the prospects of the gold, silver, and copper resources of the Treaty Creek Property and feel it will be a transformational addition to our upcoming NGTGOLD Token. Our team looks forward to the role it will play in the Golden Triangle as well as in the future of mining."

## Exclusivity

The LOI provides for an exclusivity period ending at 4:00pm (Vancouver Time) on August 5, 2024 (the "Expiry Time"). Among other things, until the Expiry Time:

- American Creek and Cunningham will deal exclusively with each other in good faith to complete all reasonable and customary due diligence and to negotiate the Definitive Agreement;
- American Creek will continue to operate its business in the ordinary course, consistent with past practice;
- American Creek will discontinue any existing discussions, and not initiate any discussion, regarding alternative transactions; and
- American Creek and Cunningham will seek to negotiate a definitive agreement (the "Definitive Agreement") setting out the terms of the Arrangement.

### Superior Proposals

Notwithstanding the exclusivity provisions of the LOI, the Board has negotiated customary carve outs for unsolicited, bona fide proposals that the Board determines, in good faith, would if consummated result in a superior transaction that is more favourable to shareholders of American Creek. Failure to participate in such discussions or negotiations would be inconsistent with the Board's fiduciary duties.

### Structure

The final structure of the transaction will be set out in the Definitive Agreement and will be based on considerations relating to matters of applicable corporate, securities, tax and other applicable laws and regulations. The LOI is non-binding, and the Proposed Transaction is subject to due diligence, and the negotiation of definitive terms and other conditions. If the Definitive Agreement is entered into, the Company will work expeditiously to secure the requisite approval in accordance with Section 288 of the BCBCA.

### Financing Failure Fee

Execution of the Definitive Agreement will be subject to, and conditional upon, Cunningham obtaining sufficient financing to consummate the Proposed Transaction in the amount of approximately \$209,537,516 Cdn (the "Financing"). In the event Cunningham is unable to provide American Creek with evidence whereby certain persons have committed to provide Cunningham with the Financing prior to the Expiry Time, Cunningham shall pay and deliver to American Creek a cash payment by wire transfer of immediately available funds (the "Financing Failure Fee"). The Financing Failure Fee will be up to \$115,000 Cdn and is subject to certain adjustments.

### Termination Fee

The LOI will terminate upon the earlier of certain events, including:

- the Expiry Time;
- the execution by American Creek and Cunningham of the Definitive Agreement;
- written notice by American Creek to Cunningham that it is terminating the LOI because the Board has determined (and either publicly announced by the Board or any other person other than Cunningham) that it has received an alternative transaction that is a superior transaction that is more favorable to the shareholders of American Creek and that failure to pursue such alternative transaction would be inconsistent with its fiduciary duties under applicable law; provided, however, that American Creek has complied with its obligations under the LOI and Cunningham does not exercise its right to match such alternative transaction within the required time frame in accordance with the LOI (the "Termination Fee Event"); or
- the written agreement of the parties. The termination will not, however, affect the liability of any party for any prior breach of any provision of the LOI.

If a Termination Fee Event occurs, and within nine (9) calendar months of such termination:

- an alternative transaction (and such alternative transaction is the same alternative transaction referenced above with the same counterparties) is consummated or effected; or
- American Creek and/or any of its subsidiaries, directly or indirectly, in one or more transactions, enters into a written agreement (other than a confidentiality or standstill agreement) in respect of an alternative transaction (and such alternative transaction is the same alternative transaction referenced above with the same counterparties) and, in each case, such an Alternative Transaction is later consummated,

American Creek shall pay to (or procure the payment to) Cunningham a termination fee of \$6,286,125 Cdn (the "Termination Fee") prior to, or simultaneously with, the consummation of such alternative transaction. In the event that the Termination Fee is paid in full to Cunningham (or as it directs) in the manner provided in the LOI, no other amounts will be due and payable as damages or otherwise by American Creek to Cunningham

#### Special Committee

A Special Committee of the Board (the "Special Committee") has been formed to consider, negotiate and, if applicable, finalize the Proposed Transaction, and to make a recommendation to the Board for approval prior to the execution of the Definitive Agreement or the submission of the Proposed Transaction to shareholders of the Company for a vote.

#### LOI Non-Binding

As discussions are ongoing, the Company cannot provide any assurance that it will be able to agree on the final terms of the Definitive Agreement with Cunningham. Any Proposed Transaction will be subject to, among other conditions, completion of due diligence by Cunningham, negotiation of the Definitive Agreement, a recommendation of the Special Committee, and approval by the Board. Approvals will also be required from shareholders of the Company, the Supreme Court of British Columbia (in accordance with the BCBCA), and the TSXV. The Arrangement will also be conditional upon such other customary closing conditions that may be included in the Definitive Agreement.

If a Definitive Agreement is executed, the Company expects that it will be required to hold a special meeting (the "Special Meeting") of the Company's shareholders to approve the Proposed Transaction. The Proposed Transaction is subject to receipt of the foregoing approvals and other customary closing conditions. Terms and conditions of the Proposed Transaction are expected to be disclosed in greater detail in a management information circular for the Special Meeting (the "Circular"). Following execution of the Definitive Agreement, a Circular will be mailed to the Company's shareholders. There are no finder's fees payable by American Creek in connection with the Proposed Transaction.

In the event that the Company executes a Definitive Agreement with Cunningham, copies of such Definitive Agreement and a Circular for the Special Meeting will be filed with Canadian securities regulators. Documents filed by the Company with Canadian securities regulators are available on the SEDAR+ profile of the Company at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders are urged to read any relevant materials when they become available. However, Shareholders do not need to take any action with respect to the Proposed Transaction at this time.

For further information please contact Kelvin Burton at:

Phone: (403)752-4040 or Email: [info@americancreek.com](mailto:info@americancreek.com).

Information relating to the Company is available on its website at [www.americancreek.com](http://www.americancreek.com).

#### Counsel

Fasken Martineau DuMoulin LLP is acting as the Company's legal advisor.

## About American Creek and the Treaty Creek Project

American Creek is a proud partner in the Treaty Creek Project, a joint venture with [Tudor Gold Corp.](#) located in BC's prolific "Golden Triangle".

The Treaty Creek Project hosts the Goldstorm Deposit, comprising a large gold-copper porphyry system, as well as several other mineralized zones. As disclosed in the "NI-43-101 Technical Report for the Treaty Creek Project", dated April 5, 2024 prepared by Garth Kirkham Geosystems and JDS Energy & Mining Inc., the Goldstorm Deposit has an Indicated Mineral Resource of 27.87 million ounces (Moz) of AuEQ grading 1.19 g/t AuEQ (21.66 Moz gold grading 0.92 g/t, 2.87 billion pounds (Blbs) copper grading 0.18%, 128.73 Moz silver grading 5.48 g/t) and an Inferred Mineral Resource of 6.03 Moz of AuEQ grading 1.25 g/t AuEQ (4.88 Moz gold grading 1.01 g/t, 503.2 Mlb copper grading 0.15%, 28.97 Moz silver grading 6.02 g/t), with a pit constrained cut-off of 0.7 g/t AuEQ and an underground cut-off of 0.75 g/t AuEQ.

The Goldstorm Deposit has been categorized into three dominant mineral domains and several smaller mineral domains. The CS-600 domain largely consists of nested pulses of diorite intrusive stocks and hosts the majority of the copper mineralization within the Goldstorm Deposit. CS-600 has an Indicated Mineral Resource of 15.65 Moz AuEQ grading 1.22 g/t AuEQ (9.99 Moz gold grading 0.78 g/t, 2.73 Blbs copper grading 0.31%, 73.47 Moz silver grading 5.71 g/t) and an Inferred Mineral Resource of 2.86 Moz AuEQ grading 1.20 g/t AuEQ (1.87 Moz gold grading 0.79 g/t, 475.6 Mlb copper grading 0.29%, 13.4 Moz silver grading 5.63 g/t). The Goldstorm Deposit remains open in all directions and requires further exploration drilling to determine the size and extent of the Deposit.

American Creek holds a fully carried 20% interest in the Treaty Creek Project until a production notice is given, meaning that no exploration or development costs are incurred by American Creek until such time as a production notice has been issued. American Creek shareholders have a unique opportunity to avoid the dilutive effects of exploration while maintaining their full 20% exposure to one of the world's most exciting mega deposits.

The Company also holds the Austruck-Bonanza gold property located near Kamloops, BC.

## About Cunningham

Cunningham Mining Ltd. ([www.cunninghammining.com](http://www.cunninghammining.com)) has successfully completed the acquisition of the placer claims known as the 'Nugget Trap Placer Mine' in the British Columbia Mineral Title registry, covering 573.7 acres, along with the accompanying permits and authorizations. The property is situated within the Skeena Mining Division of British Columbia, Canada, in the area known as BC's Golden Triangle. The company intends to digitize this and future in ground deposits as well as operating mines and claims through the issuance of it's Digital Asset Token, NGTGOLD Token ([nuggettrap.com](http://nuggettrap.com)).

Its head office is located at 10026 Pacific Centre, 25th FL, Vancouver, BC, V7Y 1B3.

## Technical Information and Qualified Person

All information regarding Mineral Resource estimates, scientific disclosure, and technical information included in this news release is based upon the information included in the National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") compliant technical report entitled "NI-43-101 Technical Report for the Treaty Creek Project", dated April 5, 2024. This was prepared by Garth Kirkham Geosystems and JDS Energy & Mining Inc., each of whom is independent of American Creek within the meaning of NI 43-101 and is a "Qualified Person" as such term is defined in NI 43-101.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves.

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

#### Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained in this press release constitute "forward-looking information" and "forward-looking statements" within the meaning of certain securities laws and are based on expectations and projections as of the date of this press release. Forward-looking information and forward-looking statements may relate to the Company, Cunningham, and to anticipated events or results, notably the negotiation and completion of the Proposed Transaction on terms substantially similar to those currently contemplated.

Statements regarding future results, performance, achievements, prospects, or opportunities of the Company, Cunningham, or similar statements concerning anticipated future events, results, circumstances, performance or expectations, notably the execution of a Definitive Agreement and the completion of the Proposed Transaction, as contemplated, are also forward-looking statements. Forward-looking statements contained in this press release include, without limitation, those related to:

- the ability of Cunningham to close the Financing;
- the availability of a superior proposal from a prospective purchaser other than Cunningham;
- American Creek's receipt of the Financing Failure Fee;
- the value and potential of the Treaty Creek Property;
- the liquidity the Proposed Transaction will provide for American Creek shareholders;
- the ability of the Company and Cunningham to negotiate and execute the Definitive Agreement;
- the Company's receipt of all necessary approvals (including shareholder approval, court approval, and the approvals of the TSXV);
- the final terms of the Proposed Transaction contained in the Definitive Agreement; and
- more generally, the quotes from the respective CEOs of American Creek and Cunningham, as well as the sections entitled "About American Creek and the Treaty Creek Project" and "About Cunningham".

Forward-looking statements are based on expectations, estimates, and projections as of the time of this press release. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonably by the Company or Cunningham as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect.

Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that the Company, the Special Committee, or the Board will be able to negotiate or approve a Definitive Agreement on terms acceptable to each of them and Cunningham. Future events could differ materially from what is currently anticipated by the Company or Cunningham.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions, and intentions expressed in such forward-looking statements. All of the forward-looking statements made in this press release are qualified by these cautionary statements and those made in the Company's other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the relevant portion of the Company's Management Discussion & Analysis prepared as of April 22, 2024, for the financial year ended

December 31, 2023. The foregoing list of factors that may affect future results is not exhaustive and new, unforeseeable risks may arise from time to time. The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

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