

Eagle Plains Resources Ltd. Announces the Signing of a Letter of Intent To Spin-Out Certain Royalty Assets

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CRANBROOK, January 4, 2023 - [Eagle Plains Resources Ltd.](#) (TSXV:EPL) ("EPL" or "Eagle Plains") is pleased to announce that it has entered into a non-binding letter of intent with 1386884 BC Ltd. ("138") dated January 4th, 2023 whereby, among other things: (i) EPL plans to transfer a majority of its portfolio of royalty interests (the "Royalties") to its wholly-owned subsidiary, Eagle Royalties Ltd. ("ER" or "Eagle Royalties") in exchange for certain shares of Eagle Royalties (the "Spin-out Shares"); (ii) 138 intends to complete an initial seed round of financing and a second round of financing for gross proceeds of approximately \$3,000,000 (the "Private Placement Financing"); and (iii) thereafter, 138 expects to amalgamate with ER on a one-for-one basis creating a resulting entity under the name "Eagle Royalties Ltd." that will hold all of the Royalties (collectively, the "Proposed Transaction"). Concurrent with the completion of the Proposed Transaction, Eagle Royalties plans to apply for a public listing of its shares on the Canadian Securities Exchange ("CSE").

Proposed Transaction - Certain Preliminary Information

- **Spin-Out Shares:** In consideration for the transfer of the Royalties, ER plans to issue to EPL an aggregate of 42 million Spin-out Shares. Of the total Spin-out Shares, it is expected that approximately 5.5 million Spin-out Shares will be retained by EPL and the remaining approximately 36.5 million Spin-out Shares will be distributed to former EPL shareholders on a 1:3 basis;
- **Private Placement Financing:** 138 is an arm's length privately held company incorporated under the laws of the Province of British Columbia. 138 has completed an initial seed financing of approximately \$100,000 and will complete a follow-on secondary financing raising gross proceeds of approximately \$3 million through the issuance of common shares, units or subscription receipts, as the case may be;
- **Transaction Structure:** The Proposed Transaction will be structured following a review and consideration of applicable tax, securities, corporate law and other relevant considerations and will be subject to the mutual agreement of the parties;
- **Escrow Details:** The Spin-out Shares and the initial seed shares of 138 (the "Escrow Shares") will be subject to a voluntary contractual escrow as follows: (i) 20% of the Escrow Shares shall be free trading on the date of ER's public listing; (ii) 20% of Escrow Shares is expected to be released every three months thereafter. As such, 100% of the Escrow Shares are expected to be free trading within 12 months from ER's public listing. In addition to any CSE imposed escrow restrictions, any person who will hold 5% or more of ER shares after the Proposed Transaction is completed will agree to a longer contractual escrow period; and
- **Expected Closing Timeline:** Eagle Plains plans to complete the Proposed Transaction by Q2, 2023 or such other date as is reasonably practicable.

Speaking about the Proposed Transaction, Tim Termuende, President and CEO of Eagle Plains commented: "management of Eagle Plains is excited by the formation of Eagle Royalties and is pleased with the proposed amalgamation with 138. On completion of this amalgamation and public listing on the CSE, Eagle Royalties will be well-funded and intends to bolster its' already diverse portfolio of quality royalty interests throughout western Canada."

The letter of intent was approved by the Board of Directors of Eagle Plains. If and when a definitive agreement to consummate the Proposed Transaction is executed, Eagle Plains will issue a subsequent news release containing the details of the definitive agreement and other matters of material significance. While Eagle Plains expects to complete the Proposed Transaction by Q2, 2023, the completion of the Proposed Transaction will be subject to several conditions, including but not limited to, receiving all required shareholder, regulatory, and other corporate and third-party approvals. As such, there can be no assurance that the Proposed Transaction will be completed as proposed or at all.

See Eagle Royalties Website [here](#)

See AurMac Royalty video [here](#)

About Eagle Plains Resources Ltd.

Based in Cranbrook, B.C., Eagle Plains is a well-funded, prolific project generator that continues to conduct research, acquire and explore mineral projects throughout western Canada. The company was formed in 1992 and is the ninth-oldest listed issuer on the TSX-V (and one of only three that has not seen a roll-back or restructuring of its shares). Eagle Plains has continued to deliver shareholder value over the years and through numerous spin-outs has transferred over \$100,000,000 in value directly to its shareholders, with Copper Canyon Resources and recently Taiga Gold being notable examples.

The company is committed to steadily enhancing shareholder value by advancing our diverse portfolio of projects toward discovery through collaborative partnerships and development of a highly experienced technical team.

In late 2022, Eagle Plains announced the formation of a separate division within the company; Eagle Royalties Ltd. which will hold many of Eagle Plains' diverse portfolio of royalty assets. The restructuring will enhance the valuation of Eagle Plains' extensive royalty interests, enabling ER to market and develop its royalty assets while seeking additional royalty acquisition opportunities. Eagle Plains' royalties cover a broad spectrum of commodities on projects controlled by Cameco Corp., Iso Energy Corp., Denison Mines Corp., Skeena Resources Ltd. and Hecla Mining Co./Banyan Gold Corp., among others, which are expected to be transferred to Eagle Royalties Ltd. Eagle Plains will continue to focus on its core business model of acquiring and advancing grassroots critical- and precious-metal exploration properties.

Expenditures from 2011-2022 on Eagle Plains-related projects exceed \$30M, the majority of which was funded by third-party partners. This exploration work resulted in approximately 45,000m of diamond-drilling and extensive ground-based exploration work facilitating the advancement of numerous projects at various stages of development.

Throughout the exploration process, our mission is to help maintain prosperous communities by exploring for and discovering resource opportunities while building lasting relationships through honest and respectful business practices.

On behalf of the Board of Directors

"Tim J. Termuende"
President and CEO

For further information on EPL, please contact Mike Labach at 1 866 HUNT ORE (486 8673)
Email: mgl@eagleplains.com or visit our website at <https://www.eagleplains.com>

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 "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes", or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

In this news release, forward-looking statements relate, among other things, to the terms and conditions of the Proposed Transaction, the issuance of Spin-out Shares, the completion of the Private Placement Financing, the proposed listings of ER on the CSE, the execution of the definitive agreement and expected closing timeline of the Proposed Transaction and the business of ER following the completion of the Proposed Transaction. These forward-looking statements reflect the EPL's current beliefs and are based on information currently available to it and on assumptions EPL's management believes to be fair and reasonable. These assumptions include but are not limited to, the ability of the parties to complete the Proposed Transaction, the ability of the combined business to be listed on the CSE and following such listing, ER's ability to meet the continued listing requirements, the ability of each of EPL, ER and 138 to successfully secure all of the necessary approvals to complete the Proposed Transaction, the ability for 138 to successfully raise the capital as contemplated in the news release and successfully close the Private Placement Financing, the completion of satisfactory due diligence by 138 in relation to the Proposed Transaction; the satisfactory fulfilment of all of the conditions precedent to the Proposed Transaction; and the receipt of all required regulatory approvals for the Proposed Transaction.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to, general business, economic, competitive, political, and social uncertainties; general capital market conditions and market price for securities; and the delay or failure to receive board, shareholder, court, or regulatory approvals, as applicable. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in EPL's disclosure documents on the SEDAR at www.sedar.com. Although EPL has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements in this news release, there may be other factors that could cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, EPL does not assume any obligation to update the forward-looking statements should they change.

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