

Maverix Metals Inc

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Maverix Metals to acquire portfolio of 25 precious metals royalties from Kinross Gold

Maverix Metals Inc (TSX:MMX) (NYSEAMERICAN:MMX) has entered into a definitive agreement to acquire a portfolio of 25 precious metals royalties from Kinross Gold Corporation (TSX:K) (NYSE:KGC).

In a statement Monday, Maverix said it will issue to Kinross a total of 11.2 million common shares and make a cash payment of US\$25 million upon closing of the transaction. Closing is expected to occur on or before December 31, and at which time Kinross will own a 9.4% basic interest in Maverix.

Certain royalties in the royalty portfolio are subject to rights of first refusal as well as the requirement for various transfer consents. Any proceeds from the exercise of a right of first refusal will be paid to Maverix, which added that the total consideration for the portfolio could reach \$74 million.

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The Vancouver-based company listed highlights of the transaction as follows:

- **Increased scale and asset diversification:** The royalty portfolio consists of predominantly gold assets located in seven different countries globally, ranging from production to exploration stage. The transaction increases Maverix's total asset portfolio to 105 royalties and streams, 14 of which will be paying, and increases Maverix's exposure to assets containing significant measured and indicated gold resources.
- **Immediate cash flow and accretive to net asset value per share:** The portfolio is expected to generate an estimated cash flow of approximately US\$3 million to US\$4 million in 2020 with the potential to increase significantly in the future.
- **Strong counterparties:** Royalty counterparties include Barrick Gold Corporation (TSE:ABX) (NYSE:GOLD), Agnico Eagle Mines Limited (TSE:AEM) (NYSE:AEM), Polymetal International PLC (LON:POLY), Yamana Gold Inc (TSE:YRI) (NYSE:AUY), Coeur Mining Inc (TSE:CDM), and Integra Resources Corp.
- **Future development and optionality with significant future cash-flow potential:** There are several royalties on projects that are in the project evaluation and development stage, that could meaningfully contribute to cash flow in the medium-term. In addition, a number of the royalties are on assets with large gold mineral inventories, many of which are being advanced through various stages of development.
- **Adds new supportive shareholder:** Kinross, one of the world's leading gold mining companies with a market capitalization of more than US\$5 billion, will own approximately 9.4% of the issued and outstanding shares of Maverix, joining Newmont Goldcorp Corporation (NYSE:NEM) and Pan American Silver Corp (NASDAQ:PAAS) as significant and supportive shareholders of Maverix. And Kinross will

Price: 4.75

Market Cap: \$568.85 m

1 Year Share Price Graph



March 2019 September 2019 March 2020

Share Information

Code: MMX

Listing: TSX

52 week High Low
7.3 3.1

Sector: Gold & silver

Website: www.maverixmetals.com

Company Synopsis:

Maverix Metals Inc. is an emerging precious metals royalty and streaming company. Maverix offers a mining related investment that provides investors with significant leverage to precious metals prices and exposure to exploration and expansion potential, but without the costs or risks associated with mine operations.

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provide Maverix with the opportunity to make an offer to acquire royalties or streams which Kinross may contemplate selling or creating in the future.

"This transaction is another milestone in Maverix's continued growth," said Maverix CEO Dan O'Flaherty. "We would like to thank Kinross for entrusting us to deliver superior value for their royalty portfolio. This transaction further validates our business model and growth strategy, and we welcome Kinross as a significant shareholder."

Maverix said it will fund the transaction through a combination of cash on hand and drawing on its existing credit facility.

The company's shares added 5.34% in Toronto to C\$5.72 each

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