

## WFW ADVISES MARIANA RESOURCES ON £166.85M COMBINATION WITH SANDSTORM GOLD

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International law firm Watson Farley & Williams (“WFW”) has advised AIM and TSXV listed Mariana Resources Limited (“Mariana”) on its £166.85m combination (the “Combination”) with Sandstorm Gold Ltd (“Sandstorm”), which is listed on NYSE MKT and TSX.

Under the terms of the Combination, Mariana shareholders will receive 0.2573 new Sandstorm shares and 28.75 pence in cash for each Mariana share held. If successful, the Combination will result in Mariana shareholders owning approximately 18.3% of the enlarged Sandstorm group (the “Combined Group”). It is intended that the Combination will be implemented by way of a court-sanctioned scheme of arrangement under Part VIII of the Companies (Guernsey) Law.

The Combination is expected to create a leading mid-tier stream and royalty company. Stream and royalty finance involves making an upfront payment to a mining partner that is in need of capital to build their mine, refinance their obligations, complete an acquisition or for various other reasons. In exchange for that upfront payment, Sandstorm receives the right to purchase a percentage of the gold produced from the mine (in the case of a stream) or a portion of the revenue generated from the mine (in the case of a royalty).

The Combined Group will have:

- A diversified portfolio of 155 streams and royalties including 20 producing, 23 development-stage, 26 advanced exploration-stage and 86 exploration-stage assets (the “Stream and Royalty Portfolio”). Of the projects that make up the Stream and Royalty Portfolio, 63% are located in North America, 19% in South America, 12% in Asia, 3% in Africa and 3% in Australia.
- A 30% incorporated joint venture interest (the “JV”) in the high-grade, gold-copper, development-stage Hot Maden project in northeast Turkey, which is held by Mariana. At an appropriate stage post completion of the Combination, Sandstorm intends to move from the current position of equity participation in the JV to converting the Combined Group’s interest in the JV into a gold stream.
- An interest in the remaining exploration properties of Mariana with a focus on gold, silver and associated metals in Côte d’Ivoire, Turkey and Argentina (the “Exploration Properties”). Following completion of the Combination, Sandstorm intends to spin-out the Exploration Properties into a separate company (the “SpinCo”), with the Combined Group retaining royalty interests over the Exploration Properties together with equity in the SpinCo.

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The cross-border WFW team advising Mariana was led by Partner Jan Mellmann, Head of WFW's Global Natural Resources Group. Jan was assisted in London by Corporate Senior Associates Jenny Hodges and Richard Collinson, Corporate Associate Danny Perera and Trainee Alex Clark. WFW New York Partners Steven Hollander and Stephen Millman advised on the US aspects of the transaction, assisted by Associate Daniel Berger.

Jan commented: "We advised Mariana on its listing on AIM in 2006 and throughout its development since, so were delighted to be able to use our significant mining and capital markets experience again to help Mariana and its shareholders to achieve a successful exit via the Combination with Sandstorm".

Glen Parsons, CEO of Mariana, commented: "We would like to thank WFW and all of our global team on a well-executed process which hopefully leads to a successful Combination with Sandstorm. This Combination is a significant transaction for Mariana shareholders, and one that the Independent Directors have recommended".

Guernsey legal advice was provided by Helen Wyatt (Partner) and Alex Davies (Senior Associate) at Maurant Ozannes. Canadian legal advice was provided by Cyndi Laval (Partner), Stefan McConnell (Counsel) and Raymond Ong (Associate) at Gowling WLG.

## RELATED CONTACTS



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