

Gowest Gold Ltd. Enters into Definitive Agreement with Group of Existing Shareholders to Go Private

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Minority Shareholders to Receive Consideration of \$0.15 per Share

Toronto, June 24, 2024 - [Gowest Gold Ltd.](#) (TSXV: GWA) ("Gowest" or the "Company") announced today that it has entered into a definitive arrangement agreement (the "Arrangement Agreement") dated June 21, 2024, with a group of existing shareholders of Gowest (the "Acquiring Group"), pursuant to which the Acquiring Group will acquire all of the outstanding common shares of Gowest not already owned by the Acquiring Group (the "Acquisition"), for cash consideration of \$0.15 per common share (the "Share Consideration").

The Acquiring Group, which collectively holds approximately 91.5% of the outstanding common shares of Gowest, is comprised of Lush Land Investment Canada Inc., Greenwater Investment Hong Kong Limited, 1000216244 Ontario Inc., Debao Wang, Yun Zhao, Fortune Future Holdings Limited, Meirong Yuan, C. Fraser Elliott and CFE Financial Inc. (a corporation controlled by Mr. Elliott).

The Share Consideration represents a 114% premium to the \$0.07 closing price of the common shares of Gowest on the TSX Venture Exchange (the "TSX-V") on June 21, 2024, the last closing price prior to the entering into of the Arrangement Agreement, and a 131% premium to the volume-weighted average trading price of \$0.0649 of the common shares of Gowest on the TSX-V for the 20 trading days ended June 21, 2024.

With respect to the announcement, Dan Gagnon, President and Chief Executive Officer of Gowest, commented:

"Gowest has faced significant challenges for a number of years in raising sufficient capital to carry out its objective of developing the Bradshaw deposit and ultimately bringing it into production. Operating as a public company is expensive and has become a constraint on the ability of the Company to raise capital and operate efficiently.

This transaction will allow a small group of our committed investors, who historically have been our most substantial source of capital, to bear the significant continuing exploration, financing and other risks facing the Company going-forward. At the same time, it will also provide our existing shareholders with liquidity and the opportunity to realize certainty of value for their common shares, in cash, at a significant premium to the Company's recent trading price. This transaction is intended to benefit not just shareholders, but all stakeholders of the Company."

Description of the Acquisition

It is anticipated that the Acquisition will be completed by way of an arrangement (the "Arrangement") under the provisions of the Business Corporation Act (Ontario) pursuant to which, among other things, 1000920370 Ontario Inc., a newly formed corporation controlled by the Acquiring Group, and Gowest will amalgamate with the same effect as if they had amalgamated under Section 174 of the Business Corporations Act (Ontario) (the "Amalgamation"). Pursuant to the Amalgamation, all of the issued and outstanding common shares of Gowest, other than those held by the Acquiring Group, will be converted, on a one-for-one basis, into Class A redeemable preferred shares (the "Class A Redeemable Shares") of the amalgamated corporation. The Class A Redeemable Shares will then be immediately redeemed by the amalgamated corporation for the Share Consideration of \$0.15 per share. The aggregate cash consideration payable to

shareholders of Gowest (excluding members of the Acquiring Group) pursuant to the Arrangement will be approximately \$8.52 million.

Further, pursuant to the Arrangement, (i) all outstanding common share purchase warrants of Gowest will be acquired by the Company immediately prior to the Amalgamation for an amount in cash per warrant equal to the amount, if any, by which the Share Consideration exceeds the exercise price of such warrant, and (ii) all outstanding stock options of Gowest will be acquired by the Company immediately prior to the Amalgamation for an amount in cash per stock option equal to the amount, if any, by which the Share Consideration exceeds the exercise price of such stock option. No amount will be payable to any holders of stock options based on Share Consideration of \$0.15 per share.

As a result of the Arrangement, securityholders of Gowest (other than members of the Acquiring Group) will cease to hold any securities of Gowest, and the Acquiring Group will collectively hold 100% of the outstanding shares of Gowest. Upon completion of the Acquisition, it is expected that Gowest will be delisted from the TSX-V.

The Acquisition is subject to customary closing conditions, including the receipt of court approval for the Arrangement and the receipt of requisite securityholder approvals (as further described below) and any other requisite contractual and regulatory approvals, as specified in the Arrangement Agreement.

Securityholder Approval Requirement

The Acquisition is subject to approval by securityholders of Gowest. A special meeting of securityholders of Gowest will be called for the purpose of approving the Arrangement (the "Meeting"). Specifically, the Arrangement will require: (i) approval of at least $\frac{66}{100}\%$ of the votes cast by shareholders of Gowest, voting in person or by proxy, at the Meeting; (ii) approval of at least $\frac{66}{100}\%$ of the votes cast by shareholders and warrant holders of Gowest (voting as a single class), voting in person or by proxy, at the Meeting; and (iii) "majority of the minority" approval under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). For the purposes of the "majority of the minority" approval requirement under MI 61-101, the votes cast by the Acquiring Group (and their related parties and joint actors of the Acquiring Group and their related parties) in respect of the Arrangement will be excluded.

The Acquisition, which constitutes a "business combination" under MI 61-101, is exempt from the formal valuation requirement set out in MI 61-101 pursuant to section 4.4(a) of MI 61-101, on the basis that the common shares of Gowest are listed solely on the TSX-V.

Pursuant to the Arrangement Agreement, all of the members of the Acquiring Group (holding, in aggregate, approximately 91.5% of the outstanding common shares of Gowest and approximately 50.3% of the outstanding common share purchase warrants of Gowest), have agreed to vote their common shares and warrants of Gowest in favour of the Arrangement at the Meeting.

Board Approval and Recommendation

In connection with the Acquisition, the board of directors of Gowest (the "Board") established a special committee (the "Special Committee") comprised solely of independent directors in order to, among other things, examine, review and evaluate the merits and risks of the proposed transaction (and any potential alternative transactions that might be available in the circumstances), establish safeguards to ensure the proper treatment of any potential conflict of interest matters, and to advise and determine as to whether the proposed Acquisition (or any alternative transaction) is in the best interests of the Company. Peter Quintiliani and Douglas Cater are the independent directors that composed the Special Committee.

Eight Capital was retained by the Special Committee to prepare a fairness opinion in respect of the Acquisition. Eight Capital has provided the Special Committee with its opinion (the "Fairness Opinion") that, as of June 18, 2024, subject to the assumptions, limitations and qualifications contained therein, the Share Consideration to be received by shareholders of Gowest other than the members of the Acquiring Group (the "Minority Shareholders") pursuant to the Arrangement is fair, from a financial point of view, to the Minority Shareholders.

After consideration of various matters concerning the proposed Acquisition, and after consultation with the management of Gowest and its legal advisors, and following receipt of the Fairness Opinion, the Special Committee unanimously determined that the Arrangement is fair to securityholders and is in the best interests of Gowest, and unanimously recommended that the Board approve the Arrangement and the Arrangement Agreement.

Following receipt of the recommendations of the Special Committee, the Board unanimously determined that the Arrangement is fair to securityholders and is in the best interests of Gowest and unanimously approved the Arrangement and the Arrangement Agreement (with conflicted directors, namely, C. Fraser Elliott, Meirong Yuan and Fuhua Zhou, abstaining from voting in respect of the Arrangement or the Arrangement Agreement). The Board (excluding the conflicted directors) recommends that securityholders of Gowest vote in favour of the Arrangement.

Additional Information

Complete details of the terms and conditions of the Acquisition are set out in the Arrangement Agreement, which will be filed by Gowest under its profile on SEDAR+ at www.sedarplus.ca.

In addition, further information regarding the Acquisition will be contained in the management information circular in respect of the Meeting which will be filed on SEDAR+ at the time that meeting materials are mailed securityholders of Gowest. All securityholders are urged to read the information circular once it becomes available, as it will contain additional important information concerning the Acquisition.

In connection with the Acquisition, Wildeboer Dellelce LLP is acting as legal counsel to Gowest and the Special Committee, and Boughton Law Corporation and Aird & Berlis LLP are acting as legal counsel to the Acquiring Group.

Eight Capital provided a fairness opinion to the Special Committee in connection with the Arrangement.

About Gowest

Gowest is a Canadian gold exploration and development company focused on the delineation and development of its 100% owned Bradshaw Gold Deposit (Bradshaw) on the Frankfield Property, part of the Corporation's North Timmins Gold Project (NTGP). Gowest is exploring additional gold targets on its +100‐square‐kilometre NTGP land package and continues to evaluate the area, which is part of the prolific Timmins, Ontario gold camp.

Forward-Looking Information

Certain statements in this release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements in this press release include, without limitation, statements relating to: the Acquisition and the proposed Arrangement under the Arrangement Agreement; the ability of the parties to satisfy the conditions to closing of the Acquisition; the mailing of the management information circular in connection with the Meeting; and the anticipated completion of the Acquisition. Words such as "may", "would", "could", "should", "will", "anticipate", "believe", "plan", "expect", "intend", "potential" and similar expressions may be used to identify these forward-looking statements although not all forward-looking statements contain such words.

Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including risks associated with the Acquisition and acquisitions generally, such as the failure to satisfy the closing conditions contained in the Arrangement Agreement, the absence of material adverse changes or other events which may give the parties a basis on which to terminate the Arrangement Agreement, and the ability of the parties to complete and mail the information circular in respect of the Meeting and hold the Meeting. Should one or more of these risks or uncertainties materialize, or should assumptions underlying

the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by this press release. These factors should be considered carefully and reader should not place undue reliance on the forward-looking statements. These forward-looking statements are made as of the date of this press release and, other than as required by law, Gowest does not intend to or assume any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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For further information, please contact:

Dan Gagnon
President & CEO
Tel: (416) 363-1210
Email: info@gowestgold.com

Greg Taylor
Investor Relations
Tel: (416) 605-5120
Email: greg.taylor@gowestgold.com

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