

Andina Minerals Inc. Agrees to Friendly Business Combination With Hochschild Mining Plc

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[Andina Minerals Inc.](#) (TSX VENTURE: ADM) ("Andina" or the "Company") is pleased to announce that it has entered into a binding agreement (the "Support Agreement") with [Hochschild Mining PLC](#) ("Hochschild") pursuant to which Hochschild has agreed, subject to the terms of the Support Agreement, to make an offer to purchase all of the outstanding common shares of Andina by way of a friendly take-over bid at a price of C\$0.80 per share in cash (the "Offer").

The Offer represents a 106% premium to the 20-day volume weighted average price as at November 7, 2012 of Andina's common shares on the TSX-V and a 100% premium to the closing price of the Company's common shares on the TSX-V, immediately prior to the announcement of the Offer. The transaction values Andina's equity at approximately C\$103 million on a fully diluted in-the-money basis.

George Bee, President and CEO of Andina commented on the Offer as follows: "We are pleased to be entering into this transaction with Hochschild. The Offer represents a significant premium to Andina shareholders, and the Board of Andina unanimously supports the Offer. Over the last year, along with the broader market for large-scale gold developers, Andina's share price has declined due to a number of factors. Most importantly, continued capital and operating cost inflation in the mining sector has weighed on the market, along with investor concerns with respect to share dilution arising from a potential decision to develop the Volcan project or raising additional funds to maintain the business. After reviewing the alternatives available to our company, we believe that the Offer is the best option for Andina shareholders."

Hochschild has also entered into a lockup agreement with all of Andina's Directors and Officers and with Mackenzie Financial Corp., who together hold in aggregate approximately 13.7% of the outstanding shares of Andina on a basic shares outstanding basis.

The Support Agreement contains customary deal support provisions including non-solicitation and right to match provisions in favour of Hochschild and the payment to Hochschild of a termination fee of C\$4.1 million if the acquisition is not completed in certain specified circumstances. The obligation of Hochschild to take up and pay for Andina common shares pursuant to the Offer is subject to certain conditions, including a sufficient number of shares being tendered to the Offer such that Hochschild would own at least 66 2/3% of Andina's shares on a fully-diluted basis. Hochschild has also agreed to provide Andina with a secured loan of C\$1.75 million for general purposes within 5 business days and which will be repaid by Andina if the acquisition is not completed. In addition, Hochschild has agreed to place C\$3.75 million into an escrow account which will be released to Andina on the date that Hochschild takes up and pays for Andina shares under the Offer, or otherwise returned to Hochschild if the Support Agreement is terminated.

Hochschild has announced that it intends to commence its Offer and to mail its take-over bid circular as soon as practicable and in any event by November 22, 2012. The Offer will be open for acceptance for a period of not less than 36 days. Andina's Board of Directors has agreed that its Directors' Circular recommending the Offer will be mailed to shareholders at the same time as the mailing of the Hochschild take-over bid circular.

BMO Capital Markets is acting as financial advisor to Andina and Fraser Milner Casgrain LLP is acting as legal counsel to Andina. RBC Capital Markets is acting as financial advisor to Hochschild and Stikeman Elliot LLP is acting as legal counsel to Hochschild.

About Andina Minerals Inc.

Andina's primary focus is mining exploration and development in Chile. The Company's flagship development project is the 100%-owned Volcan Gold Project, strategically located in the prolific Maricunga Gold Belt.

In addition to Andina's extensive underexplored land position surrounding Volcan, the Company holds two other mineral properties located within Chile's primary mining regions.

About Hochschild Plc.

Hochschild is a precious metals company listed on the London Stock Exchange operating in the Americas with a primary focus on the exploration, mining, processing and sale of silver and gold. It is headquartered in Lima and is a constituent of the FTSE 250 Index.

Forward-Looking Information

Certain of the statements made and information contained herein may contain forward-looking statements or forward-looking information within the meaning of applicable securities laws, including the anticipated timing of the transaction. Forward-looking information is based on the views, opinions, intentions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated or projected in the forward-looking information (including the actions of other parties). Many of these assumptions are based on factors and events that are not within the control of Andina and there is no assurance they will prove to be correct. The timing and completion of the proposed transaction is subject to customary conditions, termination rights and other risks and uncertainties. Accordingly, there can be no assurance that the proposed transaction will occur, or that it will occur on the timetable or on the terms and conditions contemplated. The proposed transaction could be modified, restructured or terminated. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Andina undertakes no obligation to update forward-looking information except as required by applicable securities laws, or to comment on analyses, expectations or statements made by third parties. The reader is cautioned not to place undue reliance on forward-looking information.

Neither 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.

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