

Osisko Announces Friendly Acquisition of Queenston

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MONTREAL, QUEBEC and TORONTO, ONTARIO -- (Marketwire - Nov. 12, 2012) - [Osisko Mining Corporation](#) ("Osisko") (TSX:OSK) (FRANKFURT:EWX) and [Queenston Mining Inc.](#) ("Queenston") (TSX:QMI) (OTCQX:QNMNF) are pleased to announce that they have entered into a definitive agreement (the "Agreement") pursuant to which Osisko will acquire, by way of a court-approved plan of arrangement, all of the issued and outstanding common shares of Queenston. Queenston is a Canadian mineral exploration and development company with a primary focus on its holdings in the historic Kirkland Lake gold camp comprising 230km² of prime exploration lands on trend with Osisko's flagship Canadian Malartic mine.

Pursuant to the terms of the Agreement, Queenston shareholders will receive 0.611 of an Osisko share for each common share of Queenston held, implying an offer of C\$6.00 per share based on Osisko's closing price on the Toronto Stock Exchange ("TSX") on November 9, 2012. The offer represents a 45% premium to Queenston's 30-day volume-weighted average price ("VWAP") for the period ending November 9, 2012.

The transaction values Queenston's equity at approximately C\$550 million on a fully diluted in-the-money basis and implies an enterprise value of approximately C\$400 million. Pro forma the transaction, Queenston shareholders will own approximately 12% of Osisko (based on fully diluted in-the-money shares outstanding).

"Osisko is very pleased to announce this transaction with Queenston" commented Mr. Sean Roosen, President and Chief Executive Officer of Osisko. "Queenston is an excellent strategic fit within our existing Canadian portfolio and in our view, is one of the best undeveloped high-grade opportunities and significant open pit targets in Canada. Osisko has always sought to be a part of camps rather than isolated assets and this transaction provides us with a highly strategic land package in another prolific Canadian gold camp."

Commenting on the transaction, Mr. Charles Page, President and Chief Executive Officer of Queenston said: "We are delighted to be combining forces with the world class team from Osisko. We feel that we are offering the shareholders of Queenston the opportunity to maximize value through our combined efforts. I would like to take this opportunity to thank all Queenston employees for their dedication and hard work to bring the company to this point. We look forward to integrating our team with the Osisko team to create a new leading Canadian mid-tier mining company. I am very proud of our success and the exceptional value that it has created for our shareholders."

BENEFITS TO OSISKO SHAREHOLDERS

- Addition of a portfolio of deposits in a premier Canadian exploration district in keeping with Osisko's strategic vision of having exposure to gold camps in geopolitically stable jurisdictions
- Flagship Upper Beaver project is high grade and of significant scale with potential to grow
- Considerable exploration potential on all assets
- Ability to utilize Osisko's mine permitting and development teams which include significant underground expertise
- Transaction is accretive on all key metrics, including net asset value per share, resources per share, and longer-term production and cash flow per share
- Ability to fund Upper Beaver development through internal cash flow

BENEFITS TO QUEENSTON SHAREHOLDERS

- Significant premium of 45% to Queenston's 30-day VWAP ending November 9, 2012
- Exposure to Osisko's gold production at Canadian Malartic and existing asset base

- Ongoing exposure to the development of the Upper Beaver project through an all-share transaction
- Osisko's proven development team that can maximize Upper Beaver's potential
- Dramatically improved trading liquidity and a heightened capital markets profile through Osisko
- Fairness opinion received from Queenston's financial advisor indicating that the consideration payable pursuant to the transaction is fair, from a financial point of view, to Queenston shareholders

OVERVIEW OF THE KIRKLAND LAKE GOLD PROPERTIES

Upon closing, Osisko will assume ownership of Queenston's 100%-owned gold properties in the historic Kirkland Lake gold camp as well as other various interests in Quebec, Manitoba and Ontario. The flagship Upper Beaver project is progressing with advanced exploration leading to new shaft development and a definitive feasibility study in 2013.

In February 2012, Queenston completed a Preliminary Economic Assessment ("PEA") on the Upper Beaver project outlining an initial 10 year mine life operating at 2,000 tonnes per day. Over the life of mine, Upper Beaver is expected to produce a total of 1.1 million ounces of gold at an average rate of 120,000 ounces per year and average cash costs of US\$386 per ounce (net of by-product credits). Using a gold price of US\$1,275 per ounce the PEA shows that Upper Beaver has an after-tax internal rate of return of 22.1%.

In addition, exploration activities are ongoing at the four other 100%-owned deposits in Kirkland Lake that will provide additional feed for a central milling facility. The Kirkland Lake gold properties in aggregate currently host an NI 43-101 compliant resource of 2.1 million ounces of gold in the indicated category (contained within 13 million tonnes of material grading 5.0 g/t) and 1.9 million ounces of gold in the inferred category (contained within 13 million tonnes of material grading 4.5 g/t).

SUMMARY OF THE TRANSACTION

The acquisition of Queenston will be completed by way of a court-approved plan of arrangement, whereby Osisko will acquire each issued and outstanding share of Queenston in exchange for 0.611 of a common share of Osisko. The number of Osisko shares to be issued will be approximately 51.7 million based on the currently issued and outstanding shares as of the date of this announcement, but will be subject to change depending on the number of Queenston options and warrants exercised while the offer is outstanding.

The board of directors of Queenston has unanimously approved the transaction and will recommend that shareholders vote in favour of the transaction.

Each senior officer and each member of the board of directors of Queenston have entered into lock-up agreements with Osisko pursuant to which each has agreed to vote in favour of the transaction, which together represent approximately 3% of the shares outstanding. In addition, Osisko advises that certain shareholders of Queenston have also executed lock-up agreements with Osisko in which each has agreed to vote in favour of the transaction, which together represent approximately 27% of the shares outstanding. In aggregate, therefore, Osisko has received lock-up agreements representing approximately 30% of issued and outstanding common shares of Queenston.

The terms and conditions of the Agreement will be disclosed in more detail in the management information circular which will be filed and mailed to Queenston shareholders in late November 2012.

Completion of the transaction is subject to customary conditions, including court approvals, a favourable vote of at least 66 2/3% of the holders of Queenston common shares voted at a special meeting of shareholders, and the receipt of all necessary regulatory and stock exchange approvals. The Agreement includes a customary non-solicitation clause, right to match covenants and provides for the payment of a C\$22 million break fee to Osisko under certain circumstances.

ADVISORS AND LEGAL COUNSEL

Dundee Capital Markets and Primary Capital are acting as financial advisors and Fraser Milner Casgrain LLP is acting as legal counsel to Osisko and its Board of Directors.

BMO Capital Markets is acting as financial advisor to Queenston and its Board of Directors in connection with the transaction and Stikeman Elliott LLP is acting as special legal counsel to Queenston and the Special

Committee of its Board of Directors.

CONFERENCE CALL

A conference call is scheduled for November 12, 2012 at 9:00 am EST. Toronto area call-in number is (416) 981-9012, North American toll-free call-in number is 1 (800) 909-4792.

ABOUT OSISKO MINING CORPORATION

[Osisko Mining Corporation](#) operates the Canadian Malartic Gold Mine in Malartic, Quebec and is pursuing exploration on a number of properties, including the Hammond Reef Gold Project in Northern Ontario.

National Instrument 43-101 - Standards for Disclosure for Mineral Projects

Mr. Luc Lessard, Eng., Senior Vice-President and COO of Osisko, a Qualified Person under NI 43-101, has read and approved the scientific and technical information in this press release. Mr. William McGuinty, Vice President Exploration of Queenston, a Qualified Person under NI 43-101 has read and approved the technical information in this press release. This release contains information relating to a preliminary economic assessment that includes inferred mineral resources which are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves.

For further information on the Osisko's Canadian Malartic mine, the Hammond Reef project and other exploration properties, please see Osisko's most recent Annual Information Form filed on SEDAR. For further information on the Upper Beaver Project please see the technical report titled "Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada" Prepared by SRK Consulting (Canada) Inc. ("SRK") dated November 5, 2012. The Technical Report is available on SEDAR at www.sedar.com and on the Company's website at www.queenston.ca.

Forward-Looking Statements

Certain statements contained in this press release may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address events or developments that Osisko and Queenston expect to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "scheduled" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although Osisko and Queenston believe the expectations expressed in such forward-looking statements are based on reasonable assumptions, including, without limitation that all technical, economical and financial conditions will be met in order to complete the transaction between Osisko and Queenston and the continued development of the Upper Beaver project or the Kirkland Lake gold properties, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, gold prices, access to skilled consultants, mining development and mill production personnel, results of exploration and development activities, Osisko and Queenston's limited experience with production and development stage mining operations, uninsured risks, regulatory changes, defects in title, availability of personnel, materials and equipment, timeliness of government or court approvals, actual performance of facilities, equipment and processes relative to specifications and expectations, unanticipated environmental impacts on operations market prices, continued availability of capital and financing and general economic, market or business conditions.

These factors are discussed in greater detail in Osisko and Queenston's most recent Annual Information Forms, both of which are filed on SEDAR, which also provide additional general assumptions in connection with these statements. Osisko and Queenston caution that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the forward looking statements contained herein should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Osisko and Queenston believe that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release. Osisko and Queenston undertake no obligation to

publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

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