

# Buchans Minerals and Minco plc Agree to Complete a Business Combination

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[Buchans Minerals Corporation](#) (TSXV: BMC) ("Buchans Minerals" or the "Company") is pleased to announce that it has entered into a binding arrangement agreement (the "Agreement") to complete a business combination by way of a court-approved plan of arrangement under the Canada Business Corporations Act (the "Arrangement") with [Minco plc](#) (AIM Market: MIO) ("Minco"). The completion of the Arrangement will create a premier industrial and base metals exploration and development company with advanced projects in established mining jurisdictions in eastern Canada.

Pursuant to the terms of the Agreement, Minco will acquire all of the outstanding common shares of Buchans Minerals (the "Buchans Shares") that it does not already own in exchange for ordinary common shares of Minco (the "Minco Shares") by way of a statutory plan of arrangement on the basis of 0.826 of a Minco Share for each Buchans Share (the "Exchange Ratio").

Under the terms of the Arrangement, Minco will issue approximately 124,642,198 new Minco Shares in exchange for Buchans Shares. Upon completion of the Arrangement Buchans Minerals shareholders ("Buchans Shareholders") will hold 26.3% of the outstanding Minco Shares and current Minco shareholders will hold 73.7% of the outstanding Minco Shares. Based on the 60 day volume weighted average share prices for Buchans Minerals and Minco for the period ending April 26th 2013, the Exchange Ratio implies an offer price of \$0.053 per Buchans Minerals common share, representing a premium of 45.2% to the 60 day VWAP of Buchans Shares. The Exchange Ratio implies a 34.6% premium to the closing share price of Buchans Minerals on the TSX Venture Exchange ("TSXV") on April 26, 2013.

Warren MacLeod, President & CEO of Buchans Minerals stated that "The merger with Minco represents an excellent value opportunity for the shareholders of both companies. We believe that consolidating the ownership of the Lundberg base metal project in central Newfoundland and the Woodstock manganese project in New Brunswick is a major step towards achieving our strategy of creating a strong intermediate base metal company with an attractive growth profile focused on enhancing shareholder value. In addition, the merger provides Buchans Minerals shareholders with a 45.2% premium to recent market prices, access to greater market liquidity and a strengthened balance sheet with over \$14 million in cash."

## Transaction Highlights

- Creation of a well-funded, growth focused exploration and development company with a diversified portfolio of high grade mining projects in eastern Canada.
- Simplifies and consolidates the ownership structure of the Lundberg Project and Woodstock Manganese Project.
- Allows Buchans Shareholders to fully participate in the upside from the advancement of the Woodstock Project, potentially one of the largest undeveloped manganese deposits in North America.
- The combined company will be better positioned to expand and develop the current resource of the Lundberg deposit as well as advance the project through feasibility studies.
- Enhanced capital markets profile of the combined company with a pro forma fully diluted in-the-money basis market capitalization of approximately CDN\$27 million (based on Minco's closing share price on April 26, 2013).

## Terms of the Business Combination between Buchans Minerals and Minco

- Minco will acquire the Buchans Shares at an exchange ratio of 0.826 of a Minco Share for each Buchans Share.
- Pursuant to the Agreement, Minco will issue approximately 124,642,198 shares to Buchans Shareholders for the approximately 150,898,545 Buchans Shares currently outstanding (which excludes the 15,384,615 Buchans Shares that are currently owned by Minco).

- The acquisition of the Buchans Shares by Minco will be accomplished by a statutory plan of arrangement, whereby Buchans Minerals will amalgamate with a wholly-owned subsidiary of Minco to form an amalgamated company that will be wholly-owned by Minco (the "Merged Company").
- Upon completion of the Arrangement, all currently outstanding share purchase warrants and options of Buchans Minerals (except for the warrants held by Minco, which will be cancelled) will be exercisable for Minco Shares at the Exchange Ratio with adjusted exercise prices such that the same aggregate consideration will be payable on exercise.
- Completion of the Arrangement will be subject to receipt of necessary consents, approvals and other authorizations by applicable regulatory authorities.
- The Arrangement is subject to a number of customary conditions, including the receipt of approvals of the Buchans Shareholders, and receipt of approvals of the Supreme Court of Nova Scotia and the TSXV. Buchans Minerals plans to seek approval for the Arrangement at its annual and special meeting of shareholders to be held in Halifax, Nova Scotia on June 28, 2013. Completion of the Arrangement will be subject to the favourable vote of 66 2/3% of the votes cast by Buchans Shareholders. In the event there are delays in completing the required information circular and securing regulatory approvals, Buchans Minerals will call a special meeting of Buchans Shareholders at a later date to vote on the Arrangement.
- The Agreement contains non-solicitation provisions which restrict Buchans Minerals from soliciting or entering into third party acquisition proposals, subject to customary provisions that entitle Buchans Minerals to consider and accept a superior proposal and the right of Minco to submit a counter-proposal. Pursuant to the Agreement, Buchans Minerals has agreed to pay to Minco a break fee of Cdn\$150,000 if the Agreement is terminated in specified circumstances, including if the Buchans Shareholders fail to approve the Arrangement.
- Concurrently with the execution of the Arrangement Agreement, the directors of Buchans Minerals have entered into lock-up agreements agreeing to vote in favour of the Arrangement.

### **Recommendation of the Board**

The board of directors of Buchans Minerals appointed a special committee (the "Special Committee") of directors to evaluate and oversee the Arrangement. The Special Committee retained, Stephen Semeniuk, CFA as its independent financial advisor. Stephen Semeniuk has provided a fairness opinion to the Special Committee to the effect that, subject to certain qualifications and assumptions, the Arrangement is fair, from a financial point of view, to Buchans Shareholders.

The Special Committee unanimously approved, and recommended to the board of directors of Buchans to approve, the Arrangement. After receiving the recommendation of the Special Committee, the board of directors of Buchans has unanimously determined (Warren MacLeod and Paul Moore abstaining due to their interest in the Arrangement as a result of their planned appointments with the Merged Company post-Arrangement) that the Arrangement is in the best interests of Buchans Minerals and is fair, from a financial point of view, to Buchans Shareholders.

Accordingly, the Special Committee and the Board has unanimously recommended that the Buchans Shareholders vote in favour of the Arrangement.

### **Management of Minco and the Merged Company**

Two nominees of Buchans Minerals will be appointed to the board of directors of Minco, subject to the approval of Minco and its nominated adviser under the rules of the AIM Market. It is anticipated that the management of Minco will continue to be led by John Kearney as Chairman and Chief Executive Officer.

Warren MacLeod, President and CEO of Buchans Minerals, will be appointed the President of the Merged Company and Paul Moore, VP Exploration of Buchans Minerals, will be appointed the VP Exploration of the Merged Company.

### **Listing of the Minco Shares and Buchans Shares**

Minco will continue to trade on the Alternative Investment Market of the London Stock Exchange ("AIM Market") and Minco has agreed to apply for co-listing of the Minco Shares on a North American stock exchange. Buchans Minerals will apply to de-list the Buchans Shares from the TSX Venture Exchange ("TSXV") on completion of the Arrangement.

### **Further Information**

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Further information regarding the Arrangement will be contained in an information circular that Buchans Minerals will prepare, file and mail to Buchans Shareholders. All Buchans Shareholders are urged to read the information circular once it becomes available as it will contain additional important information concerning the Arrangement. Details regarding these and other terms of the Arrangement are set out in the Arrangement Agreement which will be filed on Buchans Minerals' profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Advisors**

Minco is being advised in relation to the Arrangement by Davy Corporate Finance and by Canaccord Genuity Corp. as its financial advisor and Stephen Semeniuk, CFA is acting as financial advisor to Buchans Minerals.

## **About Buchans Minerals**

[Buchans Minerals](#) is an Atlantic Canada based resource company that has three main assets that include its 100% owned base metal properties near Buchans in central Newfoundland (optioned and joint ventured to Minco), its 100% owned manganese property located near Woodstock in New Brunswick (optioned and joint ventured to Minco) and its 50% owned gold and copper Long Range Property in central Newfoundland.

Trading Symbol: TSXV: BMC

Shares Outstanding: 166,283,160

## **About Minco plc**

[Minco](#) is registered in the Republic of Ireland and listed on the AIM Alternative Investment Market of the London Stock Exchange ("MIO"), is an exploration and development company currently engaged in zinc-lead exploration in the United Kingdom, Ireland and in evaluating the Buchans Minerals base metal and manganese project in eastern Canada. Minco holds investments in zinc&#8208;silver projects in Mexico through a holding of 30 million shares (approximately 29%) in [Xtierra Inc.](#) listed on the TSX Venture Exchange (TSX.V-"XAG").

Minco holds 15.4 million shares (approximately 9.8%) in Buchans Minerals Corporation also listed on the TSX.V ("BMC").

Minco also holds a 2% NSR royalty on the Curraghinalt gold property in Northern Ireland, which is being explored by [Dalradian Resources Inc.](#) (TSX-"DNA").

Minco currently holds approximately US\$14 million in cash and is also evaluating a number of other investment opportunities in the minerals industry in North America and Europe.

## **Forward Looking Statements & Disclaimer**

*This news release may contain "forward-looking information", as defined in applicable securities laws. Forward-looking information typically contains statements that relate to future, not past, events. In this context, forward-looking information often addresses expected future business and financial performance, and often contains words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, relating to the successful completion of the Arrangement, future performance of Buchans Minerals and Minco, continuation of exploration and development activities and the future trading price of securities of Buchans Minerals and Minco, constitute forward-looking information. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of Buchans Minerals and Minco to complete the Arrangement in accordance with the terms and conditions of the Arrangement Agreement, the accuracy of management's assessment of the effects of the completion of the Arrangement, the trading price of securities of Buchans Minerals and Minco, that the exchange rate between the Canadian dollar, the British pound and the US dollar will be approximately consistent with current levels, and the ability of Minco to list the Minco Shares on a North American stock exchange. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the following risks: the need for additional financing; operational risks*

*associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of the trading price and volume of securities of Minco and Buchans Minerals; risks associated with the Arrangement, including risks relating to the integration of Minco and Buchans Minerals and the failure to obtain the required shareholder, court or regulatory approvals; and the additional risks identified in the management's discussion and analysis section of our interim and annual financial statements or other reports and filings with the TSXV and applicable securities regulators. Forward-looking information in this release is based on management's beliefs, estimates and opinions on the date of this release and Buchans Minerals undertakes no obligation to update forward-looking information contained in this release if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking information.*

*Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release, and no securities regulatory authority has either approved or disapproved of the contents of this release.*

**Buchans Minerals Corporation**

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