

# International Mining & Infrastructure and Afferro Mining - Recommended Agreement for Imic to acquire Afferro

24.06.2013 | [CNW](#)

*THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR NEW ZEALAND OR ANY JURISDICTION IN WHICH SUCH PUBLICATION RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL*

LONDON, UK, June 24, 2013 /CNW/ -

## Highlights:

- Definitive Arrangement Agreement signed between IMIC and Afferro for the proposed acquisition, on a recommended basis, by IMIC of 100% of the issued and to be issued share capital of Afferro pursuant to a Canadian court-approved plan of arrangement
- Acquisition price per Afferro share of 120p per share comprising:
  - 80p in cash (the "Cash Consideration")
  - a listed 2-year unsecured convertible loan note with an interest rate of 8% (the "Loan Note")
- The acquisition, based on the fully diluted share capital of Afferro, represents approximately US\$200 million or 104% to the 10-day volume weighted average trading price ("VWAP") of Afferro shares for trading days ended 16 April 2013 being the date prior to IMIC's

## announcement of its initial proposed offer for the Company

**David Netherway, Chairman of Afferro**, commented: "We are pleased to have reached this point with IMIC. We believe that the deal offers our shareholders a unique opportunity to realise value, particularly in light of broader market conditions. The acquisition has been structured to provide a significant cash element, and also a deferred element as IMIC makes progress to provide a robust infrastructure solution for our flagship Nkout Project."

**Hareesh Kanabar, Chairman of IMIC**, commented: "I am delighted that Afferro's Board has acknowledged the rationale and attractiveness of our offer by recommending it to Afferro shareholders. The combination of IMIC and Afferro is a compelling opportunity that brings together Afferro's iron ore assets with IMIC's innovative infrastructure, financing and offtake solution."

Further to the announcements of 17 April 2013 and 22 May 2013, Afferro, IMIC and IMIC's subsidiary Afferro Holdings Ltd. (together, the "Parties") are pleased to announce that they have entered into a definitive arrangement agreement (the "Agreement") pursuant to which IMIC, through its wholly owned subsidiary, Afferro Holdings Ltd., will acquire all of the issued and to be issued common share capital of Afferro ("Afferro Shares") by way of a court approved plan of arrangement under the British Columbia Business Corporations Act (the "Arrangement", or the "Transaction"). In addition to setting out the framework and certain mechanics for the arrangement, pursuant to the Arrangement Agreement, Afferro and IMIC have given each other certain representations about their respective companies, groups and businesses and have agreed to conduct their businesses in certain ways, pending the arrangement becoming effective or being terminated. The Arrangement shall require approval of at least two thirds of Afferro voting shareholders and option holders voting as a single class and a simple majority of the votes cast by Afferro share and option holders other than certain Afferro directors or officers who are deemed under Canadian securities laws to be "interested parties". It is also subject to approval of IMIC shareholders, approval of the Supreme Court of British Columbia, and certain other conditions, including:

- the continued accuracy of representations and warranties
- Customary conditions regarding the securing of any required regulatory approvals and absence of any prohibitions preventing the consummation of the Arrangement or other adverse actions or proceedings
- In the case of the obligations of IMIC, (a) the absence of any event, occurrence, development of circumstance having a material adverse effect on Afferro, (b) the holders of no more than 5% of the outstanding Afferro voting shares having exercised dissent rights, (c) Afferro having unencumbered cash balances of at least US\$70M and a subsidiary of Afferro having deposited US\$70M in an escrow account in favour of Bank of American Merrill Lynch and entered into certain related agreements, and (d) Afferro shall have provided evidence satisfactory to IMIC that the Djoum III Licence relating to the Nkout Project has been renewed on terms covering at least a specified area and otherwise on terms no less favourable than existing terms under such Licence.

The Board of Directors of Afferro has approved the acquisition of Afferro pursuant to the Arrangement and is unanimously recommending that holders of Afferro Shares vote in favour of the Transaction. In approving and recommending the Arrangement, the Board of Directors of Afferro received an opinion from Canaccord Genuity Limited that as of the date thereof and subject to the assumptions, limitations and qualifications set out therein, the Arrangement is fair, from a financial point of view, to the Afferro shareholders.

The Directors and officers of Afferro, who in aggregate hold 6.4% of the outstanding Afferro Shares and 10.7% of the combined Afferro Shares and options, have undertaken to vote in favour of the Transaction pursuant to their respective voting agreements. In addition, IMIC holds 9.94% of the outstanding Afferro Shares and is entitled to vote on the Arrangement.

Under the agreed terms of the Arrangement, Afferro shareholders will receive consideration (the "Consideration") comprising:

- 80p in cash, plus
- a 2-year unsecured convertible loan note with par value of 40p and carrying simple annual interest of 8%.

The Consideration, based on par value of the Loan Note, represents:

- a premium of 104% to the 10-day VWAP of Afferro's shares for trading days ended 16 April 2013, being the date prior to IMIC's announcement of its initial proposed offer terms to Afferro regarding a possible offer;
- a premium of 92% to the 10-day VWAP of Afferro's shares for trading days ended 5 December 2012, being the date prior to Afferro's initial announcement on potential discussions regarding a takeover of the Company; and
- a premium of 69% to the 10-day VWAP of Afferro's shares for trading days ended 21 May 2013, being the date prior to Afferro and IMIC's announcement on the revised proposed terms of the Offer.

### **Cash and Option Consideration**

IMIC has also agreed to purchase, in cash, all of the currently issued and outstanding stock options for 120p less the exercise price for each option. The Consideration values the fully diluted share capital of Afferro at approximately US\$200 million, based on 111,099,498 outstanding shares and options. In respect of the cash consideration, the Board of Afferro has received confirmation from IMIC that it intends to fund the cash consideration through a combination of its existing cash resources and available credit facilities.

### **Loan Note**

The Loan Note will be unsecured and rank *pari passu* with other unsecured debt obligations of IMIC. The Loan Note will carry simple annual interest of 8%, which will be rolled up and paid at the end of the 24-month term. Upon maturity, the Loan Note together with any accrued interest will be paid in either cash or convert to the equivalent market value in IMIC shares at the time of conversion, at IMIC's discretion. The Loan Note can be redeemed early, with accrued interest to the date of redemption, at the option of IMIC. An application will be made for the Loan Note to be listed on the Irish Stock Exchange or, in the event that such listing cannot take place, another recognised stock exchange.

### **Termination and Break Fees**

Pursuant to the Arrangement Agreement, Afferro has agreed not to solicit, pursue, facilitate or enter into any discussions regarding an alternative transaction. Afferro has the right to enter into an unsolicited superior proposal, subject to IMIC's right to match and the payment of a termination fee.

Afferro will pay IMIC termination fee of US\$1,500,000 in limited circumstances including if the Afferro board changes or withdraws its recommendation prior to the Afferro meeting or Afferro breaches certain of its obligations relating to non-solicitation and superior proposals or in the event it terminates the agreement to accept a superior proposal.

In the event that the bridge loan of US\$60 million provided by Bank of America Merrill Lynch to part finance the Transaction is withdrawn or otherwise made unavailable (other than due to an action of Afferro) and alternative financing is not obtained or IMIC shareholders do not approve the Transaction, IMIC shall pay a termination fee of US\$1,500,000 to Afferro.

The arrangement agreement contains rights for both parties to agree to terminate the proposals by mutual agreement or if Afferro shareholders do not approve the arrangement or it does not become effective before the outside date (other than due to a failure by that party). Each of IMIC and Afferro also has a right to terminate in certain other circumstances, including those referred to in the context of the break fees and on the non-satisfaction of certain conditions.

### **Shareholder and Regulatory Approval**

The proposed acquisition of Afferro by IMIC will be subject, inter alia, to the approval of IMIC's shareholders under the reverse takeover requirements of AIM Rules for Companies ("AIM Rules"). In accordance with the AIM Rules, application will be made for Admission of the enlarged group to trading on AIM, following which IMIC is expected to cease to be an Investing Company for the purposes of the AIM Rules.

The Notice of Meeting containing information relating to the proposed Transaction is expected to be communicated to Afferro shareholders in July 2013, with the meeting of shareholders in relation to the Transaction expected to be held no later than 30 August 2013. IMIC is expected to publish an AIM Admission Document for the enlarged group in July 2013 and to seek shareholder approval for the transaction at a meeting of IMIC shareholders to be held on or around the same date as the Afferro Meeting. Subject to the Court approval in British Columbia, Canada and the approval of the Transaction by Afferro and IMIC shareholders and timely satisfaction of the conditions precedent, Afferro and IMIC expect the Transaction to be completed on or before 6 September 2013, or such later date as may be agreed. Further details on the timetable to be announced in due course.

### **Further Information on Afferro and IMIC**

Further information on Afferro and its assets can be found at [www.afferro-mining.com](http://www.afferro-mining.com)

Further information on IMIC can be found at [www.imicplc.com](http://www.imicplc.com)

A copy of the arrangement agreement will also be filed on Sedar and can be found at [www.sedar.com](http://www.sedar.com)

### **Advisors**

Canaccord Genuity Limited is acting as Afferro's exclusive financial advisor in relation to the Transaction. Investec is Afferro's Nominated Advisor and Joint Broker. RBC Capital Markets is Afferro's Joint Broker.

Merrill Lynch International ("Bank of America Merrill Lynch"), a subsidiary of Bank of America Corporation, is acting exclusively for IMIC in connection with the Transaction and for no one else and will not be responsible to anyone other than IMIC for providing the protections afforded to its clients or for providing advice in relation to the Transaction.

WH Ireland is IMIC's Nominated Advisor and Joint Broker. Ocean Equities Limited is IMIC's Joint Broker.

### **About IMIC**

International Mining Infrastructure Corporation plc (IMIC), in conjunction with its privately held strategic partner African Iron Ore Group (AIOG), is working to unlock value in the metals and mining industry in West and Central Africa by providing infrastructure solutions, for railways, deep-water ports, power and/or iron ore beneficiation, that will allow the region's emerging iron ore projects to develop into globally significant export operations.

IMIC and AIOG are well positioned to partner African host countries in the delivery of infrastructure arrangements, and to assist with initiatives that best address the long-term aspirations of their governments and people.

China, as consumer of 70% of the world's seaborne iron ore, is key to this opportunity. A best in breed alliance of Chinese construction and equipment groups and iron ore off-takers has been carefully assembled

to provide funding and delivery of projects and onward sale of iron ore.

AIOG's major infrastructure project, in partnership with IMIC, is the Simandou South iron ore project in the Republic of Guinea, where there is an agreement with the Guinean government to deliver a multi-purpose, multi-user infrastructure solution which ultimately could become the backbone of the country's transport network.

IMIC also takes strategic stakes in junior miners with the intention of benefiting from the uplift in value once an infrastructure solution is initiated.

IMIC shares are traded on the London Stock Exchange's AIM market under the ticker symbol IMIC.

### **About Afferro Mining Inc.**

[Afferro](#) is an established exploration and development company listed on the TSX-V (AFF) and AIM (AFF). Afferro's portfolio includes the 100% owned Nkout, Ntem and Akonolinga iron ore projects. It also holds a 70% interest in the Ngoa project, an exploration target bordering Nkout. All projects are subject to government rights. Nkout has a National Instrument 43-101 ("NI 43-101") compliant Indicated Mineral Resource Estimate of 1.6Bt at 33.3% Fe and an Inferred Mineral Resource Estimate of 0.9Bt at 30.8% Fe. In addition Nkout has a NI 43-101 compliant Preliminary Economic Assessment ("PEA") which indicates that the project is economically viable. Ntem comprises a NI 43-101 compliant Indicated Mineral Resource Estimate of 39.1Mt at 34.0% Fe and an Inferred Mineral Resource Estimate of 76.4Mt at 34.2% Fe.

### **Qualified Person**

Howard Baker (MAusIMM(CP)) has 19 years' experience in the mining industry and 11 years' experience in the exploration, definition and mining of iron ore mineral resources. Mr Baker is a full-time employee of SRK Consulting (UK) Ltd., an independent consultancy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a Qualified Person in accordance with NI 43-101 and a Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Howard Baker consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

### **Forward-looking Statements**

*This announcement includes certain forward-looking statements. All statements, other than statements of historical fact, included herein are forward-looking statements that involve various known and unknown risks and uncertainties as well as other factors. Such forward looking statements are subject to a number of risks and uncertainties that may cause actual results or events to differ materially from current expectations, including delays in obtaining or failure to obtain required regulatory approvals. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.*

*Information about the risks and uncertainties of the Company's business is provided in its disclosure materials, including its Annual Information Form and the MD&A for the 12 months ended 31 December 2012, available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actions, events or results to differ materially from those described in forward looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. 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. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information contained herein, speaks only as of the date hereof (unless stated otherwise) and, except as may be required by applicable law, Afferro disclaims any obligation to update or modify such forward-looking statements, either as a result of new information, future events or for any other reason.*

*Neither the 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.*

### **Contact**

International Mining and Infrastructure Corporation plc

www.imicplc.com  
+44 (0) 20 7290 3340  
Haresh Kanabar, Chairman  
Ousmane Kane, Chief Executive Officer  
James Ward, Finance Director

Bank of America Merrill Lynch - Financial Adviser to IMIC  
+44 (0) 20 7628 1000  
Omar Davis / Ken McLaren

Ocean Equities Limited - Joint Broker to IMIC  
+44 (0) 20 7786 4370  
Guy Wilkes / Will Slack

WH Ireland Limited - Nominated Adviser and Joint Broker to IMIC  
www.wh-ireland.co.uk  
+44 (0) 117 945 3470  
Mike Coe

Buchanan - Media and Investor Relations Adviser to IMIC  
www.buchanan.uk.com  
+44 (0) 20 7466 5000  
Mark Court / Fiona Henson / Sophie Cowles

[Afferro Mining Inc.](#)  
www.afferro-mining.com  
+44 (0) 20 7010 7680  
Luis da Silva, Chief Executive Officer  
Jeremy Cave, Investor Relations

Canaccord Genuity Limited - Financial Adviser to Afferro  
+44 (0) 20 7523 8000  
Melissa So / Ross Allister

Investec - Nominated Adviser and Joint Broker to Afferro  
+44 (0) 20 7597 5970  
George Price / Chris Sim

RBC Capital Markets - Joint Broker to Afferro  
+44 (0) 20 7653 4000  
Martin Eales / Richard Hughes

Pelham Bell Pottinger  
+44 (0) 20 7861 3232  
Daniel Thöle / James MacFarlane

---

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/151312--International-Mining-und-Infrastructure-and-Afferro-Mining---Recommended-Agreement-for-Imic-to-acquire-Afferro>.

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

---

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!  
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).