

Flinders Resources to Acquire Big North Graphite

02.09.2014 | [Marketwired](#)

VANCOUVER, Sept. 2, 2014 - [Flinders Resources Limited](#) ("Flinders") (TSX VENTURE:FDR) and [Big North Graphite Corp.](#) ("Big North") (TSX VENTURE:NRT) jointly announce that they have entered into a binding letter agreement (the "Letter Agreement") August 29, 2014, under which Flinders will acquire all of the issued and outstanding common shares of Big North by way of a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement"). Upon completion of the Arrangement, Big North will become a wholly-owned subsidiary of Flinders.

Under the terms of the Arrangement Big North shareholders will receive one Flinders common share (a "Flinders Share") for each nine Big North common shares (the "Big North Shares") resulting in the issuance of approximately 9 million Flinders Shares in exchange for 81 million Big North Shares.

Blair Way, President and CEO of Flinders, stated: "I am very pleased to announce this acquisition, as it represents the culmination of an extensive search for an asset that can provide Flinders with the next step in our strategy to build a leading global graphite producer. Our successful restart of the Woxna project in Sweden demonstrates Flinders' expertise which will now be directed towards the restart of the Big North El Tejon project. El Tejon has the capacity to be a long term supplier of high quality flake graphite to the expanding North American market, and provide a sustainable alternative to the current Chinese supply."

Spiro Kletas, President and CEO of Big North, stated: "We are pleased to be joining forces with Flinders and see this business combination as a great opportunity for our shareholders to realize value in the combined assets of Flinders and Big North. We welcome the expertise and experience that the Board and Management of Flinders bring to the partnership. They have proven that they can bring a graphite mine to production and have already 'won the race' to graphite production with the Woxna project in Sweden. Importantly, for all stakeholders, consolidating the assets of the two companies will allow us to accelerate the re-start of El Tejon, adding growth, diversification and future potential for the TSX-V's first flake graphite producer. The Board and Management of the two companies share similar strategies and as such, we believe this combination will be a great fit and mutually beneficial."

Terms of the Arrangement

Pursuant to the Letter Agreement:

- Big North shareholders will receive one Flinders Share for each nine Big North Shares held.
- All outstanding Big North options and warrants will be exchanged or assumed by Flinders and adjusted in accordance with the same exchange ratio.
- It is a condition to closing of the Arrangement that all outstanding convertible debentures of Big North (the "Debentures") be converted into Big North Shares or redeemed in accordance with their terms and no Debentures remain outstanding as at the closing of the Arrangement.
- Each of Flinders and Big North will undertake a due diligence investigation of the other which must be completed on or before October 6, 2014.
- Flinders and Big North have agreed to negotiate in good faith and enter into a definitive arrangement agreement relating to the Arrangement (the "Definitive Agreement") incorporating the terms of the Letter Agreement together with additional representations, warranties, covenants, conditions and agreements as are standard for a transaction of this nature on or before October 17, 2014, or such later date as the parties mutually agree.
- The obligation of Flinders and Big North to enter into the Definitive Agreement is subject to each party being satisfied, in its sole discretion, with its due diligence investigation of the other.
- Concurrently with the execution of the Definitive Agreement, each director and officer of Big North will enter into a support agreement with Flinders pursuant to which such director or officer will agree, among other

things, to vote any Big North Shares which such director or officer holds or exercises control or direction over in favour of the Arrangement.

- Big North will pay Flinders a break fee in the amount of \$500,000 should Big North terminate the Letter Agreement in certain circumstances.

- Big North has agreed that it will not solicit or initiate any discussions concerning any other acquisition proposals.

On completion of the Arrangement, Big North shareholders will gain access to Flinders' graphite portfolio, including the Woxna Graphite Mine which is in operation and Flinders shareholders will gain access to Big North's select graphite assets in Mexico and Canada. It is contemplated that the current management team of Flinders will manage Big North after completion of the Arrangement.

The Arrangement will be subject to standard closing conditions for a transaction of this nature including, without limitation, receipt of all required shareholder, court and regulatory approvals.

The Arrangement may be terminated by either party if closing has not occurred by December 31, 2014, or such later date as the parties mutually agree.

Big North will hold a shareholder meeting to consider and approve the Arrangement no later than December 15, 2014. The terms of the Arrangement will be described in further detail in the Management Information Circular of Big North to be filed with regulatory authorities and mailed to Big North shareholders in accordance with applicable securities laws.

Big North security holders and other interested parties are advised to read the materials relating to the proposed Arrangement that will be filed by Big North with securities regulatory authorities in Canada when they become available. Anyone may obtain copies of these documents when available free of charge at the Canadian Securities Administrators' website at www.sedar.com.

This announcement is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell the shares or a solicitation of a proxy.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Flinders Resources Limited.

[Flinders](#) is a resource company that owns 100% of the Woxna Graphite Mine, a unique and strategic European graphite project in central Sweden which has recently restarted production.

About Big North Graphite Corp.

[Big North](#) is a company focused on the restarting of the El Tejon flake graphite project in Mexico. The El Tejon flake graphite project lies within the Oaxaca Terrane of the Sierra Madre del Sur Province of southern Mexico. The project consists of one concession totaling 500 hectares. The mine and mill were built in 1980 by the Government of Mexico with a total estimated investment in excess of \$30M. The plant started operations in 1981 and in 1989 was expanded to twin process line with a rated production capacity of 3500 - 7000 t/y of high quality flake graphite. In 1989, the project was sold to private interests and operated until 2002, when low graphite prices forced the closure of the mine. Since then, the El Tejon Project has been held on care and maintenance, and is ready to be brought back to production.

Forward-Looking Information

Certain information in this news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws (collectively "forward-looking statements"). All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the beliefs and expectations of each of Flinders and Big North as well as assumptions made by and information currently available to each of Flinders' and Big North's management. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including, without limitations, failure

to successfully complete the Arrangement, capital and other costs varying significantly from estimates, production rates varying from estimates, changes in world metal markets, changes in equity markets, uncertainties relating to the availability and costs of financing needed in the future, equipment failure, unexpected geological conditions, imprecision in resource estimates or metal recoveries, success of future development initiatives, competition, operating performance, environmental and safety risks, delays in obtaining or failure to obtain necessary permits and approvals from local authorities, community relations, and other development and operating risks. Should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein. Flinders' decision to restart production at the Woxna graphite project is based on historical production and Flinders' preliminary economic assessment (the "PEA") of the project and Flinders has no current plans to complete a pre-feasibility or feasibility study on the project, as a result there is an increased risk of technical and economic failure for the Woxna Graphite project. Although each of Flinders and Big North believe that assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. Except as may be required by applicable securities laws, each of Flinders and Big North disclaim any intent or obligation to update any forward-looking statement.

PEA

Flinders advises that it has not based its production decision on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that production will begin as anticipated or at all or that anticipated production costs will be achieved. Failure to commence production would have a material adverse impact on Flinders' ability to generate revenue and cash flow to fund operations. Failure to achieve the anticipated production costs would have a material adverse impact on the Flinders' cash flow and future profitability.

Flinders further cautions that the PEA is preliminary in nature. No mining study has been completed. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

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 the accuracy of this news release.

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES.

Contact

For more information regarding [Flinders](#), contact:

Blair Way
+1 604 685 9316
info@flindersresources.com

For more information regarding [Big North](#), contact:

Spiro Kletas, President & CEO
+1 604 723 0710
spiro.kletas@gmail.com

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/180989--Flinders-Resources-to-Acquire-Big-North-Graphite.html>

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](#).