

New Gold to Acquire Bayfield Ventures

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VANCOUVER, Nov. 11, 2014 - [Bayfield Ventures Corp.](#) (TSX VENTURE:BYV) (PINKSHEETS:BYVVF) (FRANKFURT:B4N) ("Bayfield" or "the Company") announced today that it has entered into a definitive arrangement agreement with [New Gold Inc.](#) ("New Gold"), pursuant to which New Gold will acquire 100% of the outstanding common shares of Bayfield by way of plan of arrangement (the "Arrangement").

Under the terms of the Arrangement, Bayfield shareholders will receive 0.0477 of a New Gold common share (the "Share Consideration") for each Bayfield share held. The Share Consideration represents a premium of 47% per Bayfield share based on the 20-day volume-weighted average trading price ("VWAP") of Bayfield shares on the TSX Venture Exchange and the VWAP of New Gold shares on the Toronto Stock Exchange as of Nov. 7, 2014, and a 50% premium to the companies' respective closing prices on such Exchanges on Nov. 7, 2014, the last day of trading prior to this announcement. The offer values Bayfield at approximately \$16.6 million.

Upon closing of the Arrangement, Bayfield's assets, which include a 100% interest in three Rainy River district mineral properties totaling 2,536 acres located in north-western Ontario, will be integrated into New Gold's Rainy River project land package. Bayfield's properties adjoin New Gold's Rainy River project with Bayfield's Burns Block located immediately to the east of New Gold's proposed open pit gold-silver mine.

The Burns Block has an Indicated Resource of 59,957 ounces of gold at 1.4 g/t and 685,670 ounces of silver at 16.0 g/t as well as an Inferred Resource of 150,596 ounces of gold at 1.6 g/t and 1,563,470 ounces of silver at 16.3 g/t.

Highlights for Bayfield Shareholders:

- Significant and immediate premium of 50% to current share price and 47% to 20-day VWAP
- Substantially enhanced trading liquidity upon receiving New Gold shares
- All-share deal - shareholders retain exposure to Bayfield's properties as well as gaining exposure to New Gold's current diversified gold production, significant mineral resource base and strong growth profile
- Access to New Gold's strong balance sheet and current and future operating cash flow to develop the Rainy River project

"This transaction delivers an immediate and attractive premium to our shareholders. It allows our shareholders to continue to share in the potential of the Rainy River Project through their New Gold shares as well as gain exposure to New Gold's diversified gold production base and strong growth profile" stated Jim Pettit, Chairman and Chief Executive Officer of Bayfield.

Transaction Details

The transaction will be carried out by way of a court-approved plan of arrangement, and will require the approval of at least 66 2/3% of the votes cast by shareholders present in person or by proxy at Bayfield's special meeting of shareholders, expected to take place in January 2015. The transaction is also subject to applicable regulatory approvals, including approval of the Toronto Stock Exchange for the issuance of New Gold's common shares, and the satisfaction of certain closing conditions customary in transactions of this nature.

Bayfield shareholders will receive 0.0477 of a New Gold share for each Bayfield share held. Bayfield's outstanding warrants will be adjusted in accordance with their terms entitling their holders to acquire common shares of New Gold instead of one Bayfield share upon exercise thereof based on the same exchange ratio.

The Special Committee of independent directors established to review the transaction received a verbal opinion from Primary Capital Inc. that the consideration under the Arrangement is fair, from a financial point of view, to the shareholders of Bayfield other than New Gold. Bayfield's directors have determined that the

transaction is in the best interest of the Company and its shareholders and have unanimously approved the transaction. Bayfield's board of directors has resolved that it will recommend, in the information circular for the shareholder meeting, that Bayfield shareholders vote in favour of the transaction. Directors, Officers and other shareholders of Bayfield, collectively holding 2,616,003 Bayfield shares, have agreed to vote their securities in favour of the transaction.

The arrangement agreement includes customary non-solicitation provisions applicable to Bayfield and provides for the payment of a C\$650,000 break-up fee to New Gold if the transaction is terminated in certain circumstances. In addition, Bayfield has granted New Gold a right to match any competing offer. Closing of the transaction is expected to occur in January 2015 but by no later than March 31, 2015.

In connection with the transaction, New Gold has agreed to provide a secured convertible loan of up to \$300,000 to Bayfield to cover certain costs associated with the transaction. The loan will bear interest at a rate of 6% per annum, have a term of six months, and subject to TSX Venture Exchange approval, be convertible into Bayfield common shares at New Gold's option at Bayfield's shares closing price on the TSX Venture Exchange on November 10, 2014.

Full details of the transaction will be set out in Bayfield's information circular that will be prepared in respect of the special meeting of shareholders to approve the Arrangement. Bayfield intends to mail the information circular in early December. Bayfield shareholders and other interested parties are advised to read the materials relating to the proposed Arrangement after they are filed by Bayfield on SEDAR at www.sedar.com.

Bayfield's financial advisor is Primary Capital Inc. and its legal advisor is Tupper Jonsson and Yeadon. The legal advisor to the Special Committee of Bayfield is Miller Thomson LLP. New Gold's legal advisor is Cassels Brock & Blackwell LLP.

Technical Information

The Burns Block resource calculation, along with key assumptions, parameters and risks related thereto are contained in an independent report, dated January 14, 2014, entitled "BURNS BLOCK NATIONAL INSTRUMENT 43-101 COMPLIANT TECHNICAL REPORT" which was issued by Mr. Cliff Duke, P. Eng. of Riverbend Geological Services of Beausejour, Manitoba, an independent Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

Robert Marvin, P.Geo., CPG, VP Exploration for Bayfield Ventures, is the Qualified Person as defined by National Instrument 43-101 and supervised both the project field work and the preparation of the technical information in this release.

About Bayfield Ventures Corp.:

Bayfield Ventures Corp. has been exploring for gold and silver in the Rainy River district of north-western Ontario. Bayfield Ventures goal is to increase shareholder value by developing exploration projects near world-class deposits that have the potential of becoming new discoveries.

For further information on Bayfield Ventures Corp. (TSX VENTURE:BYV), visit the Company's web site at www.bayfieldventures.com.

ON BEHALF OF THE BOARD OF DIRECTORS

James G. Pettit
Chairman and CEO

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This communication does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of Bayfield or an offer to sell or exchange or the solicitation of an offer to buy or exchange any securities of New Gold, nor shall there be any sale or exchange of securities in any jurisdiction in which such offer, solicitation or sale or exchange would be unlawful prior to the registration or qualification under the laws of such jurisdiction. The distribution of this communication may, in some countries, be

restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions.

Forward-looking statements and information are based on various assumptions and on the best estimates of Bayfield, as of the date hereof, and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of New Gold or Bayfield (and the company resulting from the successful completion of the proposed Arrangement) to be materially different from those expressed or implied by such forward-looking statements and information, including but not limited to: general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; delay or failure to receive shareholder or regulatory approvals or the failure to satisfy other closing conditions to the Arrangement; the business of New Gold and Bayfield not being integrated successfully or such integration proving more difficult, time consuming or costly than expected; not realizing on the potential benefits of the proposed Arrangement; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of mineral prices; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and, delays in obtaining governmental approvals or required financing or in the completion of activities, and as well as those risks identified in New Gold's filings with Canadian securities regulators and the U.S. Securities and Exchange Commission, which may be viewed at www.sedar.com and www.sec.gov respectively, as well as in Bayfield's filings with Canadian securities regulators at www.sedar.com, from time to time. Although each of New Gold and Bayfield has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements and information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

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