

# Aldridge Minerals Inc. Agrees to be Acquired by Virtus Mining B.V.

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TORONTO, Sept. 18, 2018 - [Aldridge Minerals Inc.](#) (TSX-V: AGM) ("Aldridge" or the "Company") today announced that it has entered into an agreement (the "Arrangement Agreement") pursuant to which Virtus Mining Ltd. ("Virtus") will acquire all of the issued and outstanding common shares of Aldridge (the "Aldridge Shares") not already owned by Virtus. Under the Agreement, shareholders of Aldridge will receive Cdn.\$0.10 in cash for each Aldridge Share. This represents a 25.5% premium to the volume-weighted average trading price of the Aldridge Shares over the last 90 trading days. Virtus has also agreed to loan Aldridge up to US\$700,000 in order to permit Aldridge to fund its near-term working capital requirements pending closing of the transaction.

The Board of Directors of Aldridge has determined, after receiving the recommendation of a special committee of independent directors and following an exhaustive effort by the Company over the past several years to uncover strategic and financing alternatives, that the transaction is the best way forward given the current difficult conditions and limited options available to the Company.

As the Company has communicated in its recent quarterly and annual reports, it has faced significant challenges in raising development capital for the Yenipazar Project. With very difficult capital markets for junior mining companies, Aldridge has not only been unable to secure project financing but has also struggled to raise adequate working capital. As a result, the Company has seen its cash balance decline and faces a looming liquidity crisis in light of the Company's obligations under its US\$40,000,000 secured term credit facility (the "BKT Credit Facility") with Banka Kombetare Tregtare sh.a. ("BKT"), which matured on September 16, 2018. The Company did not repay the BKT Credit Facility at maturity. However, BKT has not yet given the Company written notice of default pursuant to the BKT Credit Facility. Upon receipt of such notice, the Company would have 15 business days to remedy such default before BKT would be entitled to demand repayment of the BKT Credit Facility and enforce its rights under security granted for Aldridge's obligations under the BKT Credit Facility.

## Transaction Details

The transaction will be carried out by way of a court-approved plan of arrangement under the Canada Business Corporations Act (the "Arrangement") and will require the approval of the holders of at least 66% of the Aldridge Shares present in person or represented by proxy at a special meeting of Aldridge shareholders (the "Aldridge Meeting") to be called to consider the Arrangement. In addition, the Arrangement will require the approval of a simple majority of votes cast on such resolution, after excluding for this purpose the votes attaching to the Aldridge Shares held by Virtus, Mr. Ahmet Taçyildiz (a director of Aldridge) or their respective affiliates, as well as all other votes which are required to be excluded pursuant to applicable securities laws. Directors (other than Mr. Ahmet Taçyildiz and Mrs. Hande Taçyildiz), senior executive officers and certain shareholders of Aldridge, which together represent an aggregate of approximately 13.6% of the issued and outstanding Aldridge Shares (calculated on a non-diluted basis), have entered into voting agreements with Virtus and agreed to vote their Aldridge Shares in favour of the Arrangement at the Aldridge Meeting. In addition, the Company understands that, at the closing of the Arrangement, Virtus will hold approximately 44.30% of the issued and outstanding Aldridge Shares, which the Company understands Virtus intends to vote or cause to be voted in favour of the Arrangement.

The board of directors of Aldridge, after consultation with its financial and legal advisors and on the unanimous recommendation of a Special Committee of Aldridge's board of directors (the "Special Committee"), has resolved (with Mr. Ahmet Taçyildiz and Mrs. Hande Taçyildiz abstaining) to unanimously recommend that Aldridge shareholders vote in favour of the Arrangement. Aldridge's board of directors and the Special Committee have also received a fairness opinion from Ernst & Young LLP in connection with the Arrangement to the effect that, as of the date of such opinion, and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by Aldridge's security holders (other than Virtus, Ahmet Taçyildiz and their affiliates) pursuant to the Arrangement is fair from a financial point of view.

In addition to shareholder and court approvals and other customary conditions, closing of the Arrangement is conditional upon the Company refinancing, extending or otherwise making commercial arrangements with BKT in respect of the BKT Credit Facility which are acceptable to the Company and Virtus, each acting

reasonably. The Company is engaged in ongoing discussions with BKT in an effort to reach agreement on an extension to the BKT Credit Facility. There can be no assurance that the Company will be able to reach agreement with BKT on a refinancing, extension or other satisfactory commercial arrangement in respect of the Credit Facility on terms satisfactory to the Company and Virtus or that BKT will not take steps to enforce its security under the BKT Credit Facility. In addition, if the Company is not able to reach agreement with BKT on a refinancing, extension or other satisfactory commercial arrangement in respect of the BKT Credit Facility, there can be no assurance that the Arrangement will be completed or that the Company can continue as a going concern.

The Arrangement Agreement also includes a non-solicitation covenant on the part of Aldridge, subject to a right to match provision and customary fiduciary out provisions, and provides for the payment of a termination fee of Cdn.\$200,000 to Virtus in certain circumstances.

Under the Arrangement, each Aldridge Share (other than Aldridge Shares then held by Virtus) will be transferred for a payment of Cdn.\$0.10 in cash and each outstanding stock option of Aldridge will be cancelled at the effective time of the Arrangement in exchange for a cash payment equal to the greater of: \* \$0.10 less the exercise price of that option; and (y) Cdn.\$0.005.

In addition, Virtus has agreed to loan (the "Loan") to the Company up to US\$700,000. The Loan bears interest at 4% per annum and will be due and payable by the Company on demand, provided that that no demand may be made prior to the earlier of December 31, 2018 and the occurrence of an event of default under the Loan agreement. Events of default include certain breaches of the agreement governing the Loan and the termination of the Arrangement Agreement.

Complete details of the Arrangement are set out in the Arrangement Agreement, which will be filed by Aldridge on SEDAR and will be available for viewing under Aldridge's profile at [www.sedar.com](http://www.sedar.com).

It is anticipated that the Aldridge Meeting to consider the Arrangement will be held in November 2018. The parties expect that the transaction will be completed shortly after the Meeting, subject to satisfaction of all conditions to closing. The Company is exempt from the requirement to obtain a formal valuation in connection with the Arrangement under applicable securities laws, because the Aldridge Shares are listed on the TSX Venture Exchange rather than on the Toronto Stock Exchange or another prescribed exchange.

McCarthy Tetrault LLP is acting as legal counsel to Aldridge and Pilot Law LLP is acting as legal counsel to the Special Committee. Ernst & Young LLP is acting as financial advisor to Aldridge.

Gowling WLG (Canada) LLP is acting as legal counsel to Virtus.

## **About Aldridge**

Aldridge is a development-stage mining company focused on its wholly owned and permitted Yenipazar polymetallic VMS Project (Gold, Silver, Copper, Lead, and Zinc) in Turkey. Aldridge completed the Yenipazar Optimization Study and filed the related NI 43-101 compliant technical report in May 2014, which updated the original May 2013 Feasibility Study. The Optimization Study demonstrated that the Yenipazar Project is highly robust with an after-tax NPV of US\$330 million at a 7% discount rate and an after-tax IRR of approximately 32%. The Company is currently advancing the Yenipazar Project with a focus on obtaining project financing.

## **About Virtus**

The Company understands that Virtus is a development-stage mining company formed under the laws of the British Virgin Islands. The Company further understands that Mr. Ahmet Taçyıldız, a director of Aldridge, will indirectly hold a 70% interest in Virtus immediately prior to closing of the Arrangement, and that Virtus will hold approximately 44.30% of the issued and outstanding Aldridge Shares, which Virtus intends to vote or cause to be voted in favour of the Arrangement.

## **Caution Regarding Forward-Looking Information**

*This news release contains forward-looking information within the meaning of applicable securities laws that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for the companies following the transaction and expectations regarding whether a transaction will be consummated, including whether conditions to the consummation of the transaction will be satisfied, or the timing for completing the transaction. When used in*

*this press release, words such as "proposed", "may", "would", "could", "will", "expect", "anticipate", "estimate", "believe", "intend", "plan", and other similar expressions are intended to identify forward-looking statements.*

*Forward-looking statements set out in this news release are subject to a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed in or implied by such forward-looking statements. Such risks, uncertainties and factors, include, but are not limited to, the ability of the Company to satisfy the conditions to completion of the Arrangement, including to reach an acceptable commercial arrangement with BKT in respect of its secured term credit facility, and to obtain shareholder and court approvals of the Arrangement; the occurrence of any event, change or other circumstance that could give rise to the termination of the Arrangement Agreement; the retention of employees, tenants, suppliers and other personnel being adversely affected by uncertainty surrounding the Arrangement; the availability of funds pursuant to the Loan; and the other factors discussed under the heading "Risk Factors" in the Company's Management's Discussion and Analysis for the year ended December 31, 2017 and in other continuous disclosure filings made by the Company with Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com). Any number of important factors could cause actual results to differ materially from these forward-looking statements as well as future results.*

*Forward-looking statements set out in this news release are 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 continuance of Aldridge and its subsidiaries as a going concern, Aldridge's ability to complete the transaction and the absence of viable alternative transactions; that funds will be made available to Aldridge pursuant to the Loan; and general economic, political and market conditions, mineral prices, and the accuracy of mineral resource estimates. Although Aldridge believes that the assumptions and factors used in making the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Aldridge disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise unless required by law.*

*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 news release.*

SOURCE [Aldridge Minerals Inc.](#)

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