

LSC Lithium Enters Into Definitive Arrangement Agreement to be Acquired by Pluspetrol

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TORONTO, Jan. 15, 2019 - [LSC Lithium Corp.](#) (“LSC” or together with its subsidiaries, the “Company”) (TSXV:LSC) is pleased to announce that it has entered into an arrangement agreement (the “Arrangement Agreement”) with Pluspetrol Resources Corporation B.V. (“Pluspetrol”), pursuant to which Pluspetrol will acquire all of the outstanding common shares of LSC by way of a plan of arrangement (the “Arrangement”) under the Business Corporations Act (*British Columbia*).

Under the Arrangement, Pluspetrol would acquire 100% of the issued and outstanding common shares of LSC for cash consideration of C\$0.6612 per LSC share (the “Transaction”). The Transaction was unanimously approved at the meeting of the LSC Board of Directors and the LSC Board of Directors recommends that LSC shareholders vote in favour of the Transaction. The Transaction provides total consideration of approximately C\$111 million.

Transaction Highlights

- The Transaction is the result of the previously announced strategic review process conducted by BMO Capital Markets as lead banker and Haitong Securities of Hong Kong, which was focused on Asia.
- The strategic review process, while in place since August 2017, was accelerated upon the release of LSC’s updated Resource Estimate on its Pozuelos Project in November 2018 and its robust Preliminary Economic Assessment on its Pozuelos-Pastos Grandes Project in December 2018, and recently Pluspetrol was granted exclusivity and has completed extensive due diligence.
- The C\$0.6612 cash consideration offered for each LSC share represents a 30% premium to LSC’s 30-day volume-weighted average share price on the TSX-V for the period ending January 14, 2019.
- The consideration is all cash and is not subject to a financing condition.
- The consideration secures immediate value for LSC shareholders, eliminating technical and financing risks involved in advancing LSC’s development projects.
- Shareholders who collectively own approximately 52% of LSC’s outstanding shares have entered into support agreements pursuant to which they have agreed to vote their shares in favour of the Transaction.
- LSC is entitled to terminate the Arrangement Agreement in order to enter into a definitive agreement with respect to a superior proposal, in which case Pluspetrol is entitled to a termination fee of C\$4,486,000.
- Shareholders subject to the support agreements are released from the support agreements in the event LSC terminates the Arrangement Agreement to enter into a definitive agreement with respect to a superior proposal and such superior proposal provides for consideration of C\$0.80 or higher.
- LSC, under the terms of the Arrangement, is not entitled to solicit third parties or provide access to data under NDA’s or otherwise.

Stephen Dattels, Chairman of the Board of LSC, commented, *“LSC has been able to produce a large lithium carbonate resource at its Pozuelos-Pastos Grandes Project as well as a robust PEA. It also has an extensive portfolio of high quality lithium exploration assets, most notably at Rio Grande and Salinas Grandes. However, since February of 2018, capital markets have been difficult for junior lithium explorers in Argentina and elsewhere, resulting in a correction in market valuations across the board. Notwithstanding this market correction, and due to our progress in advancing our top-tier assets, we have achieved an opportunity for shareholders to realise a liquidity event at normal market premiums. LSC’s team of technical and corporate professionals led by Ian Stalker are deserving of substantial credit for delivering this result and in recognition thereof, Ian Stalker has been granted a share award by LSC’s Board of Directors of one million shares.”*

BMO Capital Markets is acting as financial advisor to LSC. BMO Capital Markets has provided an opinion to LSC’s Board of Directors that, as of the date of the opinion, and subject to the assumptions, limitations and qualifications on which such opinion is based, the consideration to be received by LSC shareholders is fair, from a financial point of view, to LSC shareholders.

Transaction Details

The Transaction is subject to approval by LSC shareholders, court approval and customary closing conditions. Full details of the Transaction will be set out in LSC's management information circular that LSC will prepare in respect of the meeting of shareholders to approve the Transaction. LSC intends to mail the management information circular in mid-February 2019. The Transaction is expected to close by the end of March 2019.

The Arrangement Agreement includes customary provisions, including non-solicitation of alternative transactions, a right to match superior proposals in favour of Pluspetrol and fiduciary-out provisions. LSC has agreed to pay a termination fee of approximately C\$4,486,000 million to Pluspetrol upon the occurrence of certain termination events.

Directors and officers of LSC, along with certain other shareholders of LSC, have entered into support agreements with Pluspetrol pursuant to which they have agreed, among other things, to support the Transaction and vote their LSC securities in favour of the Transaction. In total, shareholders owning approximately 52% of the outstanding shares of LSC have entered into such support agreements.

Pursuant to the Transaction, the Board of Directors of LSC has approved the issuance of 1 million bonus shares to Ian Stalker, President & CEO issued at a deemed value of C\$0.6612 per share.

LSC and Rincon Ltd. (formerly Enirgi Group Corporation), have entered into a termination agreement dated January 14, 2019, terminating the following agreements between the parties: (i) relationship agreement dated December 22, 2016, as amended February 14, 2017; (ii) head office management support agreement dated December 22, 2016, as amended February 14, 2017; (iii) mining management support agreement dated December 22, 2016, as amended February 14, 2017; and (iv) memorandum of understanding dated December 22, 2016.

ABOUT LSC LITHIUM CORPORATION

LSC Lithium has amassed a large portfolio of prospective lithium rich salars and is focused on developing its material projects: Pozuelos and Pastos Grandes Project, Rio Grande Project and Salinas Grandes Project. All LSC tenements are located in the "Lithium Triangle," an area at the intersection of Argentina, Bolivia, and Chile where the world's most abundant lithium brine deposits are found. LSC Lithium has a land package portfolio totaling approximately 300,000 hectares, which represents extensive lithium prospective salar holdings in Argentina.

ABOUT PLUSPETROL

Pluspetrol is the leading oil and gas private company in Latin America, with presence in 3 continents and operations in 5 countries: Argentina, Angola, Bolivia, Colombia and Perú. Pluspetrol is also positioned as an important protagonist in unconventional reservoirs in Argentina, which makes it a key global player in this strategic resource.

For further information please contact:

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Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking information. These statements relate to future events or future performance, including statements as to the likelihood and timing of completing the Arrangement and the Transaction, likelihood of receiving shareholder approval for the Transaction, ability to receive regulatory, court and other required approvals of the Transaction, and timing

for mailing of the circular and meeting date. The use of any of the words "could", "anticipate", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on LSC's current belief or assumptions as to the outcome and timing of such future events. Whether actual results and developments will conform with LSC's expectations is subject to a number of risks and uncertainties including factors underlying management's assumptions, such as risks related to: title, permitting and regulatory risks; exploration and the establishment of any resources or reserves on the LSC properties; volatility in lithium prices and the market for lithium; exchange rate fluctuations; volatility in LSC's share price; the requirement for significant additional funds for development that may not be available; changes in national and local government legislation, including permitting and licensing regimes and taxation policies and the enforcement thereof; regulatory, political or economic developments in Argentina or elsewhere; litigation; title, permit or license disputes related to interests on any of the properties in which the Company holds an interest; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the Company's properties; risks and hazards associated with the business of development and mining on any of the Company's properties. Actual future results may differ materially. The forward-looking information contained in this release is made as of the date hereof and LSC is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein. For more information, see the Company's filing statement on SEDAR at www.sedar.com.

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The TSX Venture Exchange Inc. has neither approved nor disapproved the contents of this press release.

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