

Pala Investments and Cobalt 27 Announce Significant Improvements to Arrangement Transaction and New Shareholders Meeting Date of October 11, 2019

01.10.2019 | [CNW](#)

- Cash portion of acquisition price increased to C\$4.00 per share from C\$3.57 per share, representing an additional C\$30 million of cash consideration
- Pala confirms these improved terms are its best and final offer
- Cash change of control payments reduced by 46%
- Termination fee in the event of a superior proposal reduced by 50%
- Continued repayment of Cobalt 27 net debt by Pala, leaving Nickel 28 without corporate debt and funded with US\$5 million in cash
- Shareholders meeting will now take place on October 11, 2019

TORONTO, Oct. 1, 2019 - [Cobalt 27 Capital Corp.](#) (TSXV: KBLT) ("Cobalt 27" or the "Company") and Pala Investments Limited ("Pala") are pleased to announce that they have today entered into an amendment (the "Amendment") to their previously announced arrangement agreement (as amended, the "New Arrangement Agreement") which provides for the acquisition by Pala of 100% of Cobalt 27's issued and outstanding common shares, other than the approximately 19% that Pala already owns.

The New Arrangement Agreement

Following extensive consultations with shareholders of the Company, Pala and Cobalt 27 have agreed to the following significant improvements in the New Arrangement Agreement:

- Increased cash consideration to C\$4.00 per share from C\$3.57 per share, representing an additional C\$30 million of cash consideration to Cobalt 27 shareholders;
- A reduction in the cash change of control payments for management under their existing entitlements by US\$7.13 million, representing a decrease of 46%; the balance of the entitlements will instead be satisfied in 4,817,345 shares of [Nickel 28 Capital Corp.](#) ("Nickel 28") calculated based on the implied value per share of Nickel 28 of C\$1.92 per share as described below;
- A 50% reduction in the termination fee payable to Pala in the event of a "Superior Proposal", from C\$15.5 million to C\$7.75 million; and
- Pala's interest in Nickel 28 to increase from 4.9% to 9.9%, demonstrating confidence in the ongoing prospects of Nickel 28.

The New Arrangement Agreement continues to provide that Pala will repay Cobalt 27's net debt, leaving Nickel 28 with no corporate debt and funding of US\$5 million of cash upon closing.

The New Arrangement Agreement provides that Cobalt 27 shareholders will receive total consideration (the "Consideration") of C\$5.92 per share, comprised of C\$4.00 in cash plus one share of Nickel 28 with an implied value of C\$1.92 per share. As previously announced, the transaction will be carried out under a court-approved statutory plan of arrangement (the "Arrangement") governed by the Business Corporations Act (British Columbia). The implied value of each share of Nickel 28 has been determined based on the same value of Nickel 28's underlying assets as of June 17, 2019 as described in the joint news release dated June 18, 2019 and adjusted to reflect the additional shares to be issued to Pala, to satisfy the non-cash portion of the management change of control payments, and in lieu of a portion of cash payments to advisors.

The Company also notes that the New Arrangement Agreement delivers greater value to shareholders as compared to the withdrawn proposal made by a private streaming and royalty company as disclosed on September 3, 2019. This results from the fact that there is less dilution to Company shareholders taking into account Pala's 9.9% ownership interest and the Nickel 28 shares to be issued to satisfy the management

change of control payments and a portion of the advisor payments, as compared to the dilution that would have resulted from Pala holding approximately 19% of the Nickel 28 shares under the withdrawn proposal.

The Company is also pleased to confirm the following governance arrangements for Nickel 28:

- Justin Cochrane to serve as CEO of Nickel 28, as described in Cobalt 27's management information circular dated August 13, 2019 (the "Circular");
- Anthony Milewski to continue as a non-executive chairman of the board of directors of Nickel 28; and
- Nickel 28's board audit, compensation, nomination and governance committees to be comprised solely of independent directors.

Stephen Gill, Managing Partner of Pala commented: "We are pleased to provide these significantly improved transaction terms to Cobalt 27 shareholders on a best and final basis. We believe that these terms are responsive to shareholder feedback and fully value the Company."

Philip Williams, Chairman of Special Committee of Cobalt 27, commented: "We have responded to the concerns expressed by shareholders and believe we have delivered a significantly improved transaction for their benefit, including immediate liquidity in addition to continued exposure to our high-quality nickel assets. We are excited about this next phase for the company, and believe this improved offer provides for excellent governance of Nickel 28 going forward."

The total consideration of C\$5.92 represents a 71% premium to Cobalt 27's unaffected closing price on the TSX Venture Exchange (the "TSX-V") on June 17, 2019 of C\$3.47 and a 50% premium to Cobalt 27's unaffected 20-day volume weighted average trading price on the TSX-V of C\$3.95 as at the same date.

Other Matters

The special committee of independent directors of Cobalt 27 (the "Special Committee") reviewed and oversaw the negotiation of the amendments reflected in the New Arrangement Agreement. The Special Committee has obtained a fairness opinion from its independent financial advisor to the effect that, subject to the assumptions, qualifications and limitations contained therein, as at October 1, 2019, the Consideration is fair, from a financial point of view, to the shareholders of Cobalt 27 (other than Pala). The Special Committee unanimously recommended to the board of directors of the Company (the "Board of Directors") that the New Arrangement Agreement be approved.

The Board of Directors has obtained a fairness opinion from the Company's financial advisor to the effect that, subject to the assumptions, qualifications and limitations contained therein, as at October 1, 2019, the Consideration is fair, from a financial point of view, to the shareholders of Cobalt 27 (other than Pala). The Board of Directors has unanimously determined, based on, among other things, the recommendation of the Special Committee and the fairness opinion from the Company's financial advisor, that the New Arrangement Agreement is in the best interests of Cobalt 27 and its shareholders and recommends that Cobalt 27 shareholders vote in favour of the Arrangement. As previously disclosed, directors and senior officers of Cobalt 27 holding in aggregate approximately 2% of the common shares of Cobalt 27 on a fully diluted basis have entered into voting and support agreements with Pala, pursuant to which they have agreed to vote their shares in favour of the Arrangement.

The Amendment and a supplement to the Circular describing the Amendment and containing other relevant information (the "Supplement") will be made available under Cobalt 27's profile at www.sedar.com. A copy of the fairness opinions received by each of the Special Committee and the Board of Directors regarding the Consideration will also be included in the Supplement.

The Arrangement continues to be subject to the same closing conditions as previously disclosed, including the shareholder and court approvals as more fully described in the Circular and the Supplement. The Arrangement is expected to be completed by the end of October 2019.

The Meeting and Voting Details

The annual general and special meeting of shareholders of Cobalt 27 (the "Meeting") to consider the Arrangement and certain other matters described in the Circular and Supplement which was previously scheduled for October 10, 2019, has been postponed and rescheduled to October 11, 2019 at 10:00 a.m. (Toronto time). The record date of the Meeting will remain August 12, 2019 and the location of the Meeting will remain the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario.

Shareholders are encouraged to vote today using the internet, telephone or facsimile. Shareholders should vote well in advance of the voting deadline on October 9, 2019 at 10:00 a.m. (Toronto time).

Shareholders who have questions about the New Arrangement Agreement or the Arrangement, or need assistance with voting their shares or changing votes that were previously cast, can contact our proxy solicitation agent, Kingsdale Advisors:

Kingsdale Advisors

North American Toll-Free Number: +1.888.518.6554

Outside North America, Banks, Brokers and Collect Calls: +1.416.867.2272

Email: contactus@kingsdaleadvisors.com

North American Toll-Free Facsimile: +1.888.683.6007

Facsimile: +1.416.867.2271

Advisors and Counsel

Cobalt 27 has engaged Scotiabank and Regent Advisors as its financial advisors and Stikeman Elliott LLP as its legal advisor in connection with the Arrangement. The Special Committee engaged TD Securities Inc. to provide an independent fairness opinion in connection with the Arrangement.

Pala has engaged Goldman Sachs as its financial advisor and Torys LLP and White & Case LLP as its legal advisors in connection with the Arrangement.

Pala has mandated and received financing commitments from Société Générale and ING Capital LLC as Joint Lead Arrangers for loan facilities related to the transaction.

About Cobalt 27

[Cobalt 27 Capital Corp.](#) is a leading battery metals streaming company offering exposure to metals integral to key technologies of the electric vehicle and energy storage markets. Cobalt 27 holds an 8.56% joint venture interest in the long-life, world-class Ramu mine which currently delivers near-term attributable nickel and cobalt production. Cobalt 27 also manages a portfolio of 11 royalties. Cobalt 27 also owns physical cobalt and a cobalt stream on the Voisey's Bay mine.

About Pala

Pala is an investment company focused on the raw materials value chains that drive the global economy. Pala's team has extensive experience, with a strong track record of successful investments and value creation. Pala seeks to assist companies by providing strategic support and innovative solutions in development, growth and turnaround situations. Pala invests across all raw materials as well as the associated businesses critical to building sustainable value chains for the future, including extraction, processing, recycling, logistics and technology.

Additional Information

None of the securities to be issued pursuant to the Arrangement have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issued in the Arrangement are anticipated to be issued in reliance upon the exemption from such registration requirements provided by Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This news release contains certain information which constitutes 'forward-looking statements' and 'forward-looking information' within the meaning of applicable Canadian securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to statements with respect to: the anticipated benefits associated with the Arrangement; the business and assets (including their

implied value) of Nickel 28 and its strategy going forward; the timing for the completion of the Arrangement; the Consideration to be received by shareholders of Cobalt 27, which may fluctuate in value due to Nickel 28 common shares forming part of the Consideration; the composition of the future management team of Nickel 28 and the satisfaction of closing conditions under the New Arrangement Agreement. In particular, there can be no assurance that the Arrangement will be completed. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, most of which are beyond the Company's control. For more details on these and other risk factors see the Company's most recent Annual Information Form on file with Canadian securities regulatory authorities on SEDAR at www.sedar.com under the heading "Risk Factors". Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements.

The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

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. No securities regulatory authority has either approved or disapproved of the contents of this news release.

SOURCE [Cobalt 27 Capital Corp.](#)

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/335531--Pala-Investments-and-Cobalt-27-Announce-Significant-Improvements-to-Arrangement-Transaction-and-New-Shares>

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](#).