

Great Bear Resources Announces Proposed Spin-Out of 2.0% NSR on the Dixie Project to Create Great Bear Royalties Corp.

31.01.2020 | [CNW](#)

VANCOUVER, Jan. 31, 2020 - [Great Bear Resources Ltd.](#) (TSX-V: GBR) (the "Company" or "Great Bear") today announces that it has entered into a 2.0% net smelter return royalty agreement (the "NSR Royalty") with a newly incorporated wholly-owned subsidiary named [Great Bear Royalties Corp.](#) ("Great Bear Royalties"). Great Bear plans to transfer the NSR Royalty, approximately \$1 million in marketable securities currently owned by the Company, and \$0.5 million in cash into Great Bear Royalties, which together will be the initial assets for a new royalty company. Great Bear will continue to focus on advancing the 100% owned Dixie Project, while Great Bear Royalties will allow shareholders to capture additional long-term value through the royalty interest.

Great Bear Royalties will not initially be listed on a public stock exchange but will operate as a reporting issuer. Great Bear Royalties will evaluate all strategic opportunities available to the company to enhance value.

Terms of the Arrangement Agreement

Great Bear has executed an arrangement agreement with Great Bear Royalties, whereby the business of Great Bear will be reorganized into two companies by way of a plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia). Great Bear shareholders will vote on the Arrangement at a special meeting of shareholders ("Meeting") to be held on a date to be announced. To be effective, the Arrangement must be approved by a special resolution passed by at least 66% of the votes cast by Great Bear shareholders present in person or represented by proxy at the Meeting, which shareholders are entitled to one vote for each Great Bear share held.

The Arrangement involves, among other things, the distribution of 100% of the common shares of Great Bear Royalties (the "Great Bear Royalties Shares") to Great Bear shareholders such that each shareholder as of a particular date, immediately prior to closing of the transaction (the "Record Date") will receive one share of Great Bear Royalties for each four common shares of Great Bear held as of the Record Date. It is anticipated that the closing date will occur in April 2020. Great Bear warrants and options will also be adjusted pursuant to the Arrangement as described in more detail in the information circular ("Circular") that will be mailed to shareholders prior to the Meeting.

After careful consideration, the Board of Directors has unanimously determined that the Arrangement is fair to shareholders and is in the best interests of the Company. A description of the various factors considered by the Board of Directors in arriving at this determination will be provided in the Circular.

After closing of the Arrangement, Great Bear shares will continue trading on the TSX Venture Exchange in Canada under the symbol GBR, and on the OTCQX Market in the United States under the symbol GTBDF. Great Bear Royalties Shares will not be listed on any stock exchange after closing of the Arrangement, but the company will be a reporting issuer and will comply with its continuous disclosure obligations including press releases and financial reporting.

Grant of Stock Options

The Company also reports it has granted an aggregate of 710,000 stock options to employees, directors, consultants and advisors of the Company, exercisable at \$8.67 per share for a period of five years. The options are subject to a four month hold period.

About Great Bear

[Great Bear Resources Ltd.](#) is a well-financed gold exploration company managed by a team with a track

record of success in mineral exploration. Great Bear is focused in the prolific Red Lake gold district in northwest Ontario, where the company controls over 300 km² of highly prospective tenure across 4 projects: the flagship Dixie Project (100% owned), and the Pakwash Property (earning a 100% interest), the Dedee Property (earning a 100% interest), and the Sobel Property (earning a 100% interest), all of which are accessible year-round through existing roads.

ON BEHALF OF THE BOARD

"Chris Taylor"
Chris Taylor, President and CEO

Cautionary note regarding forward-looking statements

This release contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian and U.S. securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. The forward-looking information contained herein is provided for the purpose of assisting readers in understanding management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements and information include, but are not limited to, statements with respect to timing, structure and completion of the Arrangement, the transfer of assets from Great Bear to Great Bear Royalties, future growth potential for Great Bear and Great Bear Royalties, future mine development plans at the Dixie Project, anticipated benefits of the Arrangement, the timing and receipt of required shareholder, court, stock exchange and regulatory approvals for the Arrangement, the Company's financial guidance and outlook.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual actions, events or results to be materially different from those expressed or implied by such forward-looking information, including but not limited to: the requirement for regulatory approvals; the impact of general business and economic conditions; the absence of control over mining operations from which Great Bear will purchase gold and other metals or from which it will receive royalty payments and risks related to those mining operations, including risks related to any international operations, government and environmental regulation, delays in mine construction and operations, actual results of mining and current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined; accidents, equipment breakdowns, title matters, labor disputes or other unanticipated difficulties or interruptions in operations; problems inherent to the marketability of gold and other metals; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; industry conditions, including fluctuations in the price of the primary commodities mined at such operations, fluctuations in foreign exchange rates and fluctuations in interest rates; government entities interpreting existing tax legislation or enacting new tax legislation in a way which adversely affects Great Bear or Great Bear Royalties; stock market volatility; regulatory restrictions; liability, competition, loss of key employees and other related risks and uncertainties.

Forward-looking information are based on management of the parties' reasonable assumptions, estimates, expectations, analyses and opinions, which are based on such management's experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances, but which may prove to be incorrect.

Great Bear undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

SOURCE [Great Bear Resources Ltd.](#)

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/343584--Great-Bear-Resources-Announces-Proposed-Spin-Out-of-2.0Prozent-NSR-on-the-Dixie-Project-to-Create-Great-B>

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