

Orocobre Agrees to Acquire Advantage Lithium Corp.

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BRISBANE, Feb. 18, 2020 - [Orocobre Ltd.](#) (ASX: ORE, TSX: ORL) (Orocobre or the Company) is pleased to announce that it has entered into a definitive agreement (the Agreement) pursuant to which Orocobre will acquire 100% of the issued and outstanding shares of [Advantage Lithium Corp.](#) (Advantage) (TSX Venture: AAL) (OTCQX: AVLIF) that it does not already own.

This transaction (the Transaction) will allow Orocobre to continue to develop the Olaroz/Cauchari basin in a cost-effective manner that will optimise extraction of the resource to the benefit of shareholders, local communities, the Provincial and National governments of Argentina, and other stakeholders.

Orocobre shareholders will gain exposure to the 4.8 million tonnes (Mt) of Measured and Indicated Resources and 1.5 Mt of Inferred Resources (expressed as lithium carbonate equivalent) at Cauchari developed by the Advantage and Orocobre joint venture as detailed in the Orocobre ASX Release dated 7 March 2019.

The Transaction further consolidates Orocobre's leading position within the region as a low-cost producer of lithium chemicals. Orocobre will also acquire Advantage's exploration properties including those at Antofalla and Incahuasi.

Integration of Cauchari with Olaroz enables Orocobre to deliver optimal basin management and maximises the long term productive capacity of the Olaroz/Cauchari basin. The development of Cauchari will be considered within future plans for the Olaroz Lithium Facility.

The Transaction does not trigger any need for additional financing for the ongoing development of the Olaroz and Cauchari basins currently being undertaken by Orocobre and its joint venture partners.

The Transaction

Under the terms of the Agreement Advantage shareholders will receive 0.142 shares of Orocobre per Advantage share. Based on the closing price of Orocobre shares on the ASX of A\$3.29¹ this equates to a value of approximately C\$0.42² per Advantage share.

Orocobre is currently the largest shareholder of Advantage with 34.7% of Advantage's issued shares.

The Transaction will be completed through a Plan of Arrangement under the Business Corporations Act (British Columbia) (the Arrangement). The Arrangement is subject to approval by the Supreme Court of British Columbia and requires approval of at least 66.66% of the votes cast by Advantage shareholders. The Arrangement also requires approval of a simple majority of the votes cast by Advantage shareholders, excluding for this purpose the votes attaching to the Advantage shares owned by Orocobre and certain other persons required to be excluded under Canadian securities laws.

If approved, the Arrangement will allow Orocobre to acquire 100% of Advantage shares that it does not already own and will see Orocobre issue approximately 15.1 million shares which in turn will increase the total issued shares of Orocobre by 5.8%. Orocobre intends to utilise its 15% placement capacity to complete the Transaction without shareholder approval.

Directors, officers, and certain key Advantage shareholders representing an aggregate of approximately

11.55% of the issued and outstanding Advantage shares have signed support agreements to vote their respective shares in favour of the Arrangement.

Orocobre Managing Director and CEO Mr. Martín Pérez de Solay commented, "The Advantage team led by David Sidoo, Callum Grant and Miguel Peral have been hugely successful in progressing the Cauchari project from exploration to pre-development and this transaction is an exciting opportunity for both Orocobre and Advantage shareholders to consolidate on the achievements to date. For Advantage shareholders, they can now be part of something bigger without the challenges junior companies face when moving from exploration to development and onto production. For Orocobre shareholders, we will consolidate our position in the Olaroz/Cauchari basin which will give us significant flexibility as we deliver additional growth to our existing business."

Boards of Directors' Recommendations

The Board of Directors of Orocobre has approved the Transaction. The Board of Directors of Advantage (excluding Orocobre related Directors) has also approved the Transaction and has recommended to its shareholders that they vote their Advantage shares in favour of the Arrangement.

Further Details

The Arrangement will be implemented through a Plan of Arrangement under the Business Corporations Act (British Columbia) through which Advantage will become a wholly owned subsidiary of Orocobre. Advantage shareholders will receive Orocobre shares based on 0.142 shares of Orocobre per Advantage share.

The Agreement is dated 18 February 2020 and contains representations and warranties for the benefit of each of Orocobre and Advantage. The Agreement also contains a number of conditions to completion of the Arrangement that are customary in comparable transactions of this nature. These conditions must be satisfied or waived by one or both of Orocobre and Advantage at or prior to the closing of the Arrangement, and include: receipt of the requisite approvals from the holders of Advantage shares; receipt of all necessary regulatory, stock exchange and court approvals; shareholders of Advantage not having exercised their dissent rights in connection with the Arrangement in connection with more than 5% of the outstanding shares of Advantage; no material adverse effect having occurred in respect of Advantage; no law in effect making the Arrangement illegal or otherwise prohibiting Advantage or Orocobre from consummating the Arrangement; and the satisfaction of certain other closing conditions customary for a transaction of this nature.

The Agreement includes a non-solicitation covenant on the part of Advantage (subject to customary fiduciary-out provisions). In the event of a superior proposal, Orocobre has the right to either match such superior proposal or receive a termination fee in the amount of C\$1,000,000.

Details of the Arrangement, including a summary of the terms and conditions of the Arrangement Agreement, will be disclosed in a management information circular of Advantage, which will be mailed to holders of Advantage shares, and will also be available on SEDAR at www.sedar.com.

It is expected that a general and special meeting of holders of Advantage shares (the Meeting) to approve the proposed Arrangement will be held in April 2020 and, if approved at the Meeting and all other conditions precedent are satisfied or waived, including approval by the court, it is expected that the Arrangement would close approximately one week thereafter.

Advisors

PI Financial Corp. is acting as financial advisor to Orocobre, and McCarthy Tétrault LLP is acting as legal advisor to Orocobre in connection with the Transaction.

This announcement is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell any shares or a solicitation of a proxy.

Robert Hubbard Martín Pérez de Solay
Chairman Managing Director

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About Orocobre Limited

[Orocobre Ltd.](#) (Orocobre) is a dynamic global lithium carbonate producer and an established producer of boron. Orocobre is dual listed on the Australia and Toronto Stock Exchanges (ASX: ORE), (TSX: ORL). Orocobre's operations include its Olaroz Lithium Facility in Northern Argentina, Borax Argentina, an established Argentine boron minerals and refined chemicals producer and a 34.7% interest in Advantage Lithium. The Company has commenced an expansion at Olaroz and construction of the Naraha Lithium Hydroxide Plant in Japan. For further information, please visit www.orocobre.com.

¹ Closing price of Orocobre shares on ASX as at close of trading on 18 February 2020.

² Using an exchange rate of A\$1.00 to C\$0.8897.

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