

Gran Colombia Gold Proposes to Merge With Guyana Goldfields and Gold X to Create a High-Growth, Latin American-Focused Intermediate Gold Producer

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TORONTO, May 11, 2020 - [Gran Colombia Gold Corp.](#) (TSX: GCM; OTCQX: TPRFF) is pleased to announce that it has signed a definitive agreement to complete a business combination with Gold X Mining Corp. (TSXV: GLDX, OTCQX: SSPXF) (the Gold X Transaction) and that it has submitted a proposal to Guyana Goldfields Inc. (TSX:GUY) to acquire all of its issued and outstanding common shares (the Proposed Guyana Goldfields Transaction; and together with the Gold X Transaction, the Proposal). The contemplated business combination between Gran Colombia and Gold X is conditional upon the successful concurrent acquisition of Guyana Goldfields, and the proposal to Guyana Goldfields is conditional on the concurrent acquisition of Gold X.

The combined entity will continue as Gran Colombia and will be managed by the current Gran Colombia executive team, with corporate headquarters remaining in Toronto. Shareholders of Gran Colombia will own ~60% of the combined company, with Guyana Goldfields and Gold X shareholders owning ~25% and ~15%, respectively, on a basic shares outstanding basis.

Gran Colombia and Gold X are excited about the opportunity to bring their expertise in Latin American mining projects to maximize the value of the combined assets and create a new Latin American intermediate gold producer. Gran Colombia and Gold X believe the immediate value creation afforded to Guyana Goldfields shareholders via the upfront offer premium and the ability to realize further value through the continued operations in the new larger, stronger entity represents an opportunity far superior, both strategically and financially, to the proposed transaction between Silvercorp Metals Inc. (Silvercorp) and Guyana Goldfields announced on April 27, 2020.

In support of the Proposal, Gran Colombia has purchased 8.7 million shares of Guyana Goldfields, representing ~5% of the basic shares outstanding.

Transaction Highlights

- Creates a High-Growth, Latin American-Focused Intermediate Gold Producer
 - ? Strong pro-forma 2020 production of 275,000 oz¹ with production growth to over 500,000 oz/year, based on management estimates, through the development of three near-term growth projects (Toroparu, Aurora Underground and Marmato (via 74% ownership in Caldas Gold))
 - ? Poised to become a consolidator in the Latin American gold sector
- Unlocks Realizable Synergies in Guyana
 - ? Toroparu is located ~50km from Aurora and Gran Colombia and Gold X have identified an opportunity to connect the two sites and use existing Aurora infrastructure to develop an optimized production plan for both Toroparu and Aurora gold resources that significantly reduces the upfront capital that would be required to start the Toroparu Open Pit and Aurora Underground projects independently
 - ? Management estimates potential to unlock savings of ~US\$200 million based on latest Toroparu and Aurora technical reports
 - ? Key savings include use of the Toroparu resource as satellite deposits for near-term gold production from Aurora's leach processing facility, use of existing mining fleet and camp facilities at Aurora, shared access infrastructure, and consolidated G&A
 - ? Full integration plan to be completed post-closing of the Proposal

- Enhanced Balance Sheet and Access to Capital
 - ? Combined company will have greater than US\$100 million in cash in addition to the financing support provided by [Wheaton Precious Metals Corp.](#) (“Wheaton”) to fund development
 - ? Caldas Gold is currently evaluating a number of financing options for the Marmato expansion ahead of pre-feasibility study due mid-2020
 - ? The combined company will also have greater access to equity and debt markets and benefit from Gran Colombia’s Segovia Project’s robust free cash flow
- Highly Accretive Transaction with Strong Re-Rate Potential
 - ? The transaction is highly accretive to net asset value per share
 - ? Strong potential to re-rate as Gran Colombia enters a new larger peer set due to the resulting benefits of enhanced production, free cash flow and liquidity along with potential increased index inclusion
- Proven Latin American Operating and Mine Building Experience
 - ? Proven experience operating in Latin America through operating the largest underground gold and silver producer in Colombia
 - ? Highly qualified executive team with prior mine building experience in the Guiana Shield
 - ? Demonstrated ability to improve and optimize assets

¹ Based on midpoint of Gran Colombia guidance for Segovia and Marmato (on an attributable basis via 74% ownership in Caldas Gold) and of Guyana Goldfields May 7, 2020 news release

Wheaton has indicated their support for Gran Colombia’s proposed Guyana consolidation and has indicated it remains committed to helping to fund the development of Toroparu.

Serafino Iacono, Executive Chairman of Gran Colombia, stated: “We are excited to present this opportunity to all the shareholders of Gran Colombia, Guyana Goldfields and Gold X. It is extremely rare to come across a transaction that can unlock significant tangible synergies outside of simply consolidating head offices. Not only does this transaction unlock meaningful value for all shareholders, but it creates a new Latin American gold champion with Latin American operators and mine builders. We will use our unique skillset to continue to grow Gran Colombia and create substantial value for all shareholders. We look forward in the coming weeks to present our vision to shareholders and demonstrate the superior value that our proposed merger possesses.”

Lombardo Paredes, CEO of Gran Colombia, stated: “We have studied the integration of Aurora and Toroparu and strongly believe in its potential. Based on our internal integration plan we have identified US\$200 million of synergies as there are a number of different areas where Toroparu can benefit from the existing infrastructure at Aurora. This is truly a unique opportunity and I look forward to using Gran Colombia’s strong operating and mine-building team to unlock this substantial value for shareholders.”

Paul Matysek, CEO and Chairman of the Board of Directors of Gold X, added: “We envision that this business combination will release both short and long term value through the economies of scale and synergies inherent in two large deposits located within 50km of each other. We are fortunate to have attracted such an experienced operator as Gran Colombia Gold. The management team’s success as an underground miner in Colombia as well as history developing assets within the Guiana Shield make them the ideal partner for development of the mining assets in Guyana. This deal just makes a lot of business sense on all fronts!”

Transaction Details

Under the terms of the Proposal, Gran Colombia proposes to acquire all of the issued and outstanding shares of Guyana Goldfields at a share exchange ratio of 0.142 Gran Colombia shares for each Guyana Goldfields share (the “Guyana Goldfields Exchange Ratio”), implying a value of C\$0.90, a premium of ~29% to the closing price of the Guyana Goldfields shares on the Toronto Stock Exchange on May 8, 2020 and a ~50% premium to the headline value of the C\$0.60 per share offered in the contemplated

transaction with Silvercorp.

In addition, Gran Colombia can provide Guyana Goldfields with a loan of up to US\$15 million with a defined use of proceeds related to ongoing operations at the Aurora Underground Project, as well as for certain working capital and general corporate purposes.

Concurrently, Gran Colombia will acquire the remaining 81% of the issued and outstanding shares of Gold X that it does not already own at a share exchange ratio of 0.500 Gran Colombia shares for each Gold X share (the "Gold X Exchange Ratio"), implying a headline value of C\$3.17, representing a premium of 15% to the closing price on the TSX Venture Exchange on May 8, 2020, and a premium of 41% to the volume-weighted average price of Gold X shares over the 20 trading days ended on the TSX Venture Exchange on May 8, 2020.

Under the definitive agreement signed May 10, 2020 (the "Gold X Arrangement Agreement"), the Gold X Transaction is structured as a plan of arrangement. The Proposed Guyana Goldfields Transaction is expected to be structured as a plan of arrangement and is subject to the signing of definitive documentation with Guyana Goldfields. The Proposal will require approval by a simple majority of the votes cast by Gran Colombia shareholders, and by more than 2/3rds of the votes cast by Gold X and Guyana Goldfields shareholders at their respective special meetings of shareholders, as well as the receipt of regulatory approvals including the approvals of the Toronto Stock Exchange and TSX Venture Exchange and other customary conditions. As the Gold X Transaction constitutes a "business combination" under *Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions*; majority of minority shareholder approval is also required, being approval by a simple majority of the votes cast at the Gold X special meeting by Gold X shareholders, excluding the votes cast by Gran Colombia.

Gold X Board of Directors Recommendations and Support Agreements

The Gold X Arrangement Agreement has been negotiated under supervision of, and reviewed and recommended for acceptance by, a special committee of Gold X directors independent of Gran Colombia. The Board of Directors of Gold X, relying in part on the recommendation of its special committee and a fairness opinion from its financial advisor, unanimously approved the Gold X Arrangement Agreement and recommends that Gold X shareholders vote in favour of the Gold X Transaction.

Officers, directors and certain shareholders of Gold X, who collectively hold 5,887,790 or 15.48% of Gold X's issued common shares, have entered into voting support agreements in favour of the Gold X Transaction.

Advisors and Counsel

Scotiabank is acting as financial advisor to Gran Colombia and Wildeboer Dellelce LLP is acting as Gran Colombia's legal advisor.

BMO Capital Markets is acting as financial advisor to Gold X and Stikeman Elliot LLP is acting as Gold X's legal advisor.

About Gran Colombia Gold Corp.

Gran Colombia is a Canadian-based mid-tier gold producer with its primary focus in Colombia where it is currently the largest underground gold and silver producer with several mines in operation at its high-grade Segovia Operations. Gran Colombia owns approximately 74% of Caldas Gold Corp., a Canadian mining company currently advancing a prefeasibility study for a major expansion and modernization of its underground mining operations at its Marmato Project in Colombia. Gran Colombia's project pipeline includes its Zancudo Project in Colombia together with an approximately 19% equity interest in [Gold X Mining Corp.](#) (TSXV: GLDX) (Guyana; Toroparu) and an approximately 20% equity interest in [Western Atlas Resources Inc.](#) (TSX-V: WA) (Nunavut; Meadowbank).

Additional information on Gran Colombia can be found on its website at www.grancolombiagold.com and by reviewing its profile on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-looking Statements

This news release contains "forward-looking information", which may include, but is not limited to, statements regarding the completion of the proposed transactions, the holding of the special meetings of Gran Colombia, Gold X and Guyana Goldfields and other statements that are not historical facts. While such forward-looking statements are expressed by Gran Colombia, as stated in this release, in good faith and believed by Gran Colombia to have a reasonable basis, they are subject to important risks and uncertainties including, without limitation, required Gran Colombia, Gold X and Guyana Goldfield securityholder approval and necessary court approval, the satisfaction or waiver of certain other conditions contemplated by the agreements governing each of the Gold X Transaction and the Proposed Guyana Goldfields Transaction, and changes in applicable laws or regulations, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements. As a result of these risks and uncertainties, the proposed transactions could be modified, restructured or not be completed, and the results or events predicted in these forward-looking statements may differ materially from actual results or events. These forward-looking statements are not guarantees of future performance, given that they involve risks and uncertainties. Other factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risk Factors" in Gran Colombia's Annual Information Form dated as of March 30, 2020, which is available for view on SEDAR at www.sedar.com. Gran Colombia is not affirming or adopting any statements made by any other person in respect of the proposed transactions and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities law, or to comment on expectations of, or statements made by, any other person in respect of the proposed transactions. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement.

For Further Information, Contact:

[Gran Colombia Gold Corp.](http://www.grancolombiagold.com)

Mike Davies

Chief Financial Officer

(416) 360-4653

investorrelations@grancolombiagold.com

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