

# Guyana Goldfields Rejects Unsolicited Gran Colombia Acquisition Proposal and Reaffirms Commitment to Transaction with Silvercorp Metals

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TORONTO, May 13, 2020 - [Guyana Goldfields Inc.](#) (TSX: GUY) ("Guyana Goldfields" or the "Company") today announced that its board of directors (the "Board"), after careful consideration and consultation with its financial and legal advisors, has unanimously determined to reject the unsolicited proposal announced by [Gran Colombia Gold Corp.](#) ("Gran Colombia") (TSX: GCM) on May 11, 2020 to acquire all of the issued and outstanding common shares of the Company for consideration consisting entirely of Gran Colombia shares (the "Gran Colombia Proposal"). The Board reaffirms its unanimous support for the transaction previously entered into with Silvercorp Metals Inc. ("Silvercorp") (TSX/NYSE American: SVM) and announced on April 27, 2020 (the "Silvercorp Transaction").

The Board has determined that the Gran Colombia Proposal is not in the best interests of the Company or its shareholders since, among other things, the Gran Colombia Proposal (i) is complex and highly conditional in nature as it is contingent on the concurrent completion of a separate acquisition by Gran Colombia of Gold X Mining Corp. ("Gold X") (TSXV: GLDX, OTCQX: SSPXF), the terms of which have not been disclosed to the Company; (ii) requires the approval of the shareholders of each of Gran Colombia, Gold X and the Company, each conditional on the other providing such approval, and (iii) fails to provide the Company with adequate short term liquidity, given the C\$3.65 million break fee that would be payable to Silvercorp upon the entering into of a transaction agreement with Gran Colombia and the increased ongoing costs to the Company associated with a delayed closing date relative to the Silvercorp Transaction. The Board acknowledges that, based on current trading prices, the Gran Colombia Proposal represents a premium to the agreed price under the Silvercorp Transaction; however, the Board is of the view that such premium does not sufficiently compensate the Company's shareholders for the increased risk associated with the Gran Colombia Proposal.

Guyana Goldfields is Committed to Completing the Transaction with Silvercorp

Under the terms of the arrangement agreement dated April 26, 2020 entered into with Silvercorp (the "Arrangement Agreement"), Silvercorp has agreed to acquire all of the issued and outstanding shares of the Company by way of a plan of arrangement under the Canada Business Corporations Act. Pursuant to the terms of the Arrangement Agreement, each holder of Guyana Goldfields shares will have the option to receive, for each share held, C\$0.60 in cash or 0.1195 of a Silvercorp common share, subject to a maximum cash consideration of C\$33.2 million.

The Silvercorp Transaction will provide significant benefits to the Company's shareholders including:

- Exposure to a significant premium to the Company's April 24, 2020 closing price, enhanced trading liquidity, and a significant re-rating opportunity with a geographically diverse mid-tier precious metals company;
- Strong management team that is committed to developing the Aurora Underground Project and has a track record of operational excellence in underground mining over the last 15 years;
- Option to elect to receive cash in the Silvercorp Transaction which provides downside protection;
- Elimination of the funding risk associated with the Aurora Underground Project, providing access to Silvercorp's strong balance sheet and financing options available to a larger company during these times of uncertain market conditions; and
- Provision of interim loan facility sufficient to fund expenditures of the Company and advance the Aurora Underground Project during the period before closing of the Silvercorp Transaction.

Full details of the Silvercorp Transaction will be included in the management information circular of Guyana

Goldfields that is expected to be mailed to Guyana Goldfields' shareholders in early June 2020.

#### Shareholder Meeting details

The shareholder meeting is scheduled for June 29<sup>th</sup>, 2020 with a Record Date for shareholders of May 20<sup>th</sup>, 2020. Full details of the Silvercorp Transaction will be included in the management information circular of Guyana Goldfields that is expected to be mailed to Guyana Goldfields' shareholders in early June 2020.

Shareholders who have questions regarding the Silvercorp Transaction should contact the Company's strategic shareholder advisor and proxy solicitation agent Kingsdale Advisors at 1-800-775-1986, or collect call outside North America at 416-867-2272, or by e-mail at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

#### Advisors and Counsel

RBC Capital Markets is acting as financial advisor to Guyana Goldfields and Fasken Martineau DuMoulin LLP is acting as Guyana Goldfields' legal advisor. Kingsdale Advisors is acting as strategic shareholder and communications advisor and proxy solicitation agent.

#### About Guyana Goldfields Inc.

[Guyana Goldfields Inc.](#) is a Canadian based gold producer primarily focused on the exploration, development and operation of gold deposits in Guyana, South America.

#### Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (together, "forward-looking statements") within the meaning of applicable securities laws. Forward-looking statements may include, but are not limited to, statements and information with respect to the arrangement with Silvercorp and statements in respect of the Gran Colombia Proposal. Often, but not always, forward-looking statements can be identified by the use of words and phrases such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: the Company's ability to complete the arrangement with Silvercorp and satisfy the conditions precedent thereto; general business, economic, competitive, political, health and social uncertainties; the actual results of exploration and development activities; accidents, labour disputes and other risks of the mining industry; political instability and Government action; as well as those factors discussed in the sections entitled "Risk Factors" in the Company's management discussion and analysis for the year ended December 31, 2019, and AIF for the year ended December 31, 2019, each available on SEDAR at [www.sedar.com](http://www.sedar.com).

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Contact  
Investor Questions: Annie Sismanian, Vice President, Corporate Finance & Investor Relations, Direct: +1 416-933-9905, Cell: +1 416-867-2270, E-mail: [asismanian@guygold.com](mailto:asismanian@guygold.com), Website: [www.guygold.com](http://www.guygold.com);  
Media Contact: Ian Robertson, President, Canada, Kingsdale Advisors, Direct: +1 416-867-2333, Cell: +1 647-621-2646, [irobertson@kingsdaleadvisors.com](mailto:irobertson@kingsdaleadvisors.com)

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