

Zijin Mining Group Co. Ltd. to Acquire Guyana Goldfields Inc. in an All-Cash Offer for \$323 million

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TORONTO and FUJIAN, June 12, 2020 - [Zijin Mining Group Co. Ltd.](#) (SSE: 601899) (SEHK: 2899) ("Zijin") and [Guyana Goldfields Inc.](#) (TSX: GUY) ("Guyana Goldfields") are pleased to announce that they have entered into a binding arrangement agreement (the "Zijin Arrangement Agreement"), pursuant to which Zijin will acquire all of the outstanding common shares of Guyana Goldfields (each, a "Guyana Common Share") by way of a plan of arrangement (the "Zijin Arrangement"), for cash consideration of C\$1.85 for each Guyana Common Share, valuing Guyana Goldfields at approximately C\$323 million.

Prior to entering into the Zijin Arrangement Agreement, Guyana Goldfields terminated its arrangement agreement with [Silvercorp Metals Inc.](#) ("Silvercorp") dated April 26, 2020, as amended on May 16, 2020 (the "Silvercorp Arrangement Agreement"), in accordance with its terms.

As noted in its press release on June 3, 2020, Guyana Goldfields received a binding proposal from Zijin to acquire all of the issued and outstanding Guyana Common Shares and notified Silvercorp that this offer constituted a "Superior Proposal" in accordance with the terms of the Silvercorp Arrangement Agreement. Silvercorp elected not to exercise its right to match and, as a result, Guyana Goldfields terminated the Silvercorp Arrangement Agreement in accordance with its terms and entered into the Zijin Arrangement Agreement. Based on the closing price of the Silvercorp common shares on the Toronto Stock Exchange as of June 3, 2020, the Zijin Arrangement represents a premium of approximately 35% to the implied value of the consideration offered pursuant to the Silvercorp Arrangement Agreement.

Zijin has also agreed to provide Guyana Goldfields with a US\$30 million secured loan facility to finance ongoing operations of the Aurora gold mine and to fund its other liquidity needs (the "Zijin Facility").

Alan Pangbourne, President and CEO of Guyana Goldfields, stated:

"The all-cash offer from Zijin represents a significant premium to the amended Silvercorp offer price and is an excellent outcome for Guyana Goldfield's shareholders. Zijin is a highly regarded mining company with an impressive track record of successful international acquisitions and operations. We look forward to working with Zijin over the coming weeks to close this transaction and transition to the new team."

Chen Jinghe, Chairman of Zijin, stated:

"On behalf of Zijin, I would like to thank the board of directors, Mr. Pangbourne, President and CEO of Guyana Goldfields, as well as the senior management team of Guyana Goldfields for their support and recognition of Zijin on this transaction. Guyana Goldfields' management team has dedicated tremendous effort and made significant contributions in progressing the Aurora Gold Mine and we look forward to advancing and developing the next phase of the mine. We believe that the Aurora mine is a high-quality gold asset with significant upside potential which we believe will be highly complementary to Zijin's existing mining asset portfolio.

Zijin strongly believes in the support and contribution to local communities in which it operates as well as maintaining cooperative relationships with all stakeholders. These values are a critical part of Zijin's long-term goals. We are committed to continuing to operate in a safe, sustainable and responsible manner and look forward to working closely with the government of Guyana, the local communities and all other stakeholders to deliver a first-class operation that will significantly benefit the regional economy."

Benefits to Guyana Goldfields Shareholders

- Significant premium of approximately 35% to the offer under the Silvercorp Arrangement Agreement
- All-cash offer, providing value certainty
- Zijin's strong balance sheet and access to capital provides the funding needed for the transaction (no financing condition) and for the development of the next phase of the Aurora mine.

Guyana Goldfields Board of Director's Recommendation

The Zijin Arrangement Agreement has been unanimously approved by the Board of Directors of Guyana Goldfields who recommends that Guyana Goldfields shareholders vote in favour of the Zijin Arrangement. The Board of Directors of Guyana Goldfields has received a fairness opinion from each of RBC Capital Markets and Stifel GMP, which state that the consideration to be received by Guyana Goldfields shareholders pursuant to the Zijin Arrangement is fair, from a financial point of view to Guyana Goldfields shareholders (other than Zijin).

Transaction Conditions and Timing

The Zijin Arrangement will be effected by way of a court-approved plan of arrangement under the Canada Business Corporations Act and will be subject to the approval of 66% of votes cast by shareholders of Guyana Goldfields at an annual and special meeting of Guyana Goldfields shareholders expected to be held by July 31, 2020. In addition to shareholder approval, the Zijin Arrangement is also subject to the receipt of certain regulatory and court approvals, including approval by relevant authorities in China, and other closing conditions customary in transactions of this nature.

The Zijin Arrangement Agreement provides for, among other things customary board support and non-solicitation covenants, with a "fiduciary out" that would allow Guyana Goldfields to accept a superior proposal, subject to a "right to match period" in favour of Zijin. The Zijin Arrangement Agreement also provides for a termination fee of C\$11.3 million, payable by Guyana Goldfields to Zijin in certain specified circumstances, and the reimbursement of Zijin's expenses up to C\$500,000 if the Zijin Arrangement Agreement is terminated in certain other specified circumstances. The Zijin Arrangement Agreement also includes a reverse termination fee in the amount of C\$11.3 million, payable by Zijin to Guyana Goldfields in certain other specified circumstances.

Directors and officers of Guyana Goldfields have entered into voting support agreements pursuant to which they have agreed to vote their common shares in favour of the Zijin Arrangement.

Full details of the Zijin Arrangement will be included in a management information circular of Guyana Goldfields that is expected to be mailed to Guyana Goldfields' shareholders by July 3, 2020.

Shareholders who have questions regarding the Zijin Arrangement should contact Guyana Goldfields' 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.

Advisors and Counsel

Credit Suisse is acting as financial advisor to Zijin and Gowling WLG (Canada) LLP is acting as Zijin's legal advisor.

RBC Capital Markets is acting as financial advisor to Guyana Goldfields and Fasken Martineau DuMoulin LLP is acting as Guyana Goldfield's legal advisor.

About Guyana Goldfields

Guyana Goldfields is a Canadian based gold producer primarily focused on the exploration, development and operation of gold deposits in Guyana, South America.

About Zijin

Formed in 1993, Zijin is based in Fujian, China and is a leading global mining company specializing in gold, copper, zinc and other mineral resource exploration and development. It manages an extensive portfolio, primarily consisting of gold, copper, zinc, and other metals through investments in China and overseas across eleven countries. Listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, as of June 11, 2020, Zijin has a current market capitalization of approximately US\$13.8 billion.

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. Any statements or information that express or involve assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements may include, but are not limited to, statements and information related to the Zijin Arrangement, including statements with respect to the benefits of the Zijin Arrangement to Guyana Goldfields' shareholders, the anticipated meeting date and mailing of the information circular in respect of the Meeting, timing for completion of the Zijin Arrangement and receiving the required regulatory and court approvals, Zijin's expectations in respect of the Aurora Gold Mine, the accuracy of mineral resource and mineral reserve estimates at the Aurora Gold Mine and future plans and objectives of Zijin.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Guyana Goldfields/Zijin to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and factors include, among others, the global economic and social impact of COVID-19, fluctuating commodity prices; calculation of resources, reserves and mineralization and precious metal recovery; interpretations and assumptions of mineral resource and mineral reserve estimates; capital and operating costs varying significantly from estimates; unforeseen operational issues and other difficulties in the execution of mine plans; delays in the development of projects; general business, economic, competitive, political, health and social uncertainties; political instability and Government action; as well as those factors discussed in Guyana Goldfields' public documents filed on SEDAR at www.sedar.com.

Although management of Guyana Goldfields and Zijin have 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 Guyana Goldfields and Zijin disclaim 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. Accordingly, readers should not place undue reliance on forward-looking statements.

SOURCE Guyana Goldfields Inc.

Contact

Guyana Goldfields Inc.

Annie Sismanian, Vice President, Corporate Finance & Investor Relations

Phone: (416) 933-5495

Email: asismanian@guygold.com

Website: www.guygold.com

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