

New Millennium Iron Corp. Announces Agreement with the Tata Steel Group to Reorganize Relationship

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[New Millennium Iron Corp.](#) (the "Company" or "NML") (TSX: NML) is pleased to announce that it has arrived at an agreement with TS Global Minerals Holdings Pte. Ltd. ("TSGMH"), Tata Steel Minerals Canada Ltd. ("TSMC") and TSMUK LTD ("TSMUK"), and together with TSGMH and TSMC, the "Tata Steel Group") to reorganize their relationship (the "Reorganization").

Pursuant to a reorganization agreement dated August 5, 2020 (the "Reorganization Agreement"), the Company and the Tata Steel Group have agreed to complete the Reorganization as follows:

1. NML will sell and transfer its 4.32% interest in TSMC to TSMUK, representing its entire interest, or undertake a similar transaction with a similar effect;
2. NML will purchase for cancellation the 47,402,908 common shares of NML held by TSGMH, representing TSGMH's entire interest, or undertake a similar transaction with a similar effect, following which TSGMH will own no shares of NML;
3. NML will retain its interests in the LabMag and K?Mag properties (the "Taconite Properties"), and TSGMH will be granted 1% gross revenue royalty on the Taconite Properties, which may be further reduced to 0.5% gross revenue royalty upon cash payment of an agreed upon amount to TSGMH exercisable at any time upon a 30 calendar days' prior written notice to TSGMH;
4. The heads of agreements dated September 24, 2008 and March 6, 2011 between TSGMH, NML and LabMag Limited Partnership pertaining to the Taconite Properties will each be terminated; and
5. Subject to the obligations contained in the Reorganization Agreement, all outstanding payables between NML, on the one hand, and the Tata Steel Group, on the other hand, will be settled between the parties and the parties will enter into a mutual release.

The Reorganization is the first part of NML's previously announced initiatives to adapt to changed market conditions. Please refer to NML's press release dated December 18, 2018 for additional details on the initiatives.

Following completion of the Reorganization, the operations and assets of NML will consist of its interests in the Taconite Properties, other iron ore claims and approximately \$11 million in cash, cash equivalents and marketable securities. The Company intends to continue pursuing opportunities to redeploy its financial resources in a business outside of the mining industry while maximizing the value of its iron ore assets. The board of directors of NML (the "Board") anticipates updating its shareholders on these initiatives as progress is made on these opportunities. Upon completion of the Reorganization, NML will have 133,651,238 shares outstanding.

In connection with its discussions with the Tata Steel Group on the Reorganization, the Board constituted a special committee (the "Special Committee"), which comprises independent directors for the purposes of, among other things, considering NML's proposal with respect to the Reorganization, supervising the process to be carried out by NML and its professional advisors in connection with the proposal and, ultimately, the Reorganization, and determining whether the Reorganization is in the best interests of NML and, as the Special Committee may determine to be necessary or advisable, report and make recommendations to the Board with respect to the Reorganization. The Special Committee retained Cairn Merchant Partners LP ("Cairn") as financial advisor, Bennett Jones LLP

(Bennett Jones) as legal counsel and Segal LLP (Segal) as independent valuator to complete a formal valuation and fairness opinion.

Cairn has provided a verbal fairness opinion to the Board and the Special Committee stating that, as of the date thereof and, based upon and subject to the assumptions, limitations, and qualifications stated in such opinion, that the Reorganization is fair, from a financial point of view, to NML shareholders (other than the Tata Steel Group). Segal has provided a fairness opinion to the Board and the Special Committee that, as of the date thereof and, based upon and subject to the assumptions, limitations, and qualifications stated in such opinion, the Reorganization is fair, from a financial point of view, to NML shareholders (other than the Tata Steel Group).

The independent directors of the Board, following consultation with Cairn and Bennett Jones, and the recommendation of the Special Committee, have unanimously approved the Reorganization.

TSGMH has beneficial ownership of over 10% of the voting rights attached to NML's voting securities. As such, the Reorganization constitutes a related party transaction in accordance with Part 5 of *Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions* (MI 61-101) and accordingly, among other things, is subject to minority shareholder approval. NML intends to obtain the required minority shareholder approval at its annual and special meeting of shareholders (the Meeting). As a result of completion of the Reorganization, TSGMH's beneficial ownership of, or control or direction over, voting or equity securities of NML would decrease from 47,402,908 common shares of NML (representing 26.18% of the issued and outstanding common shares) to nil, and TSGMH would no longer have any beneficial ownership of, or control or direction over, voting or equity securities of any class of NML. A copy of the updated early warning report to be filed by TSGMH in connection with the Reorganization described above in accordance with National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* will be available on SEDAR under NML's profile.

In addition to the above, NML intends to reduce its stated capital for the purpose of the Reorganization. In accordance with the *Business Corporations Act* (Alberta), a reduction of the stated capital requires a special resolution approved by at least of 2/3 of NML shareholders. NML intends to obtain such shareholder approval at the Meeting.

Completion of the Reorganization remains subject to satisfaction of certain conditions including the requisite approvals of the NML shareholders described above and the satisfaction of certain other conditions that are customary for a transaction of this nature. The Reorganization Agreement may be terminated by each of NML and the Tata Steel Group if the Reorganization is not completed on or before November 30, 2020.

A management information circular (the "Information Circular") outlining details of the Reorganization is expected to be mailed to NML shareholders in Q3 2020 in connection with the Meeting. Closing of the Reorganization and related transactions are expected to occur shortly following the Meeting. The Information Circular will be accessible on NML's SEDAR profile at www.sedar.com shortly following the mailing of the Information Circular.

About NML

NML is a Canadian iron ore exploration, evaluation and development company with an extensive property position called the Millennium Iron Range in Canada's principal iron ore district, the Labrador Trough, straddling the Province of Newfoundland and Labrador and the Province of Quebec, in the Menihek Region around Schefferville, Quebec. The Company's project areas are connected via a well-established, heavy-haul rail network to the Port of Sept-Îles, Quebec.

Tata Steel, a global steel producer and industry leader, owns 26.2% of the common shares of the Company and is its largest shareholder.

NML has a 4.32% interest in TSMC, which is owner and operator of a direct shipping ore (DSO) project near Schefferville. The DSO project produces and ships sinter fines. Subsidiaries of Tata Steel and the Quebec Government's financing arm, Investissement Québec,

own the remainder of TSMC.

Beyond TSMC, the Company offers further development potential through a group of long-life Taconite Properties capable of producing high quality pellets and pellet feed to service the requirements of steel makers with either blast furnace or direct reduced iron making operations.

For further information, please visit: www.NMLIron.com.

Forward-Looking Statements

This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward looking statements. Forward looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this news release contains forward looking statements relating to future opportunities, business strategies, mineral exploration, development and production plans and competitive advantages. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company cannot give any assurance that they will prove correct. Since forward-looking statements address future events and conditions, they involve inherent assumptions, risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of assumptions, factors and risks.

Management has provided the above summary of risks and assumptions related to forward looking statements in this news release in order to provide readers with a more comprehensive perspective on the Company's future operations. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive from them. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this news release are made as of the date of this news release and the Company does not undertake and is not obligated to publicly update such forward looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

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