

# Gold X Mining Corp. Reminds Shareholders to Vote FOR the Arrangement with Gran Colombia in Advance of Special Meeting

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## And Provides Additional Information Regarding Background to the Arrangement

TORONTO, May 20, 2021 - [Gold X Mining Corp.](#) (TSXV: GLDX) ("Gold X") encourages all shareholders of Gold X (the "Gold X Shareholders") to vote FOR the proposed transaction with [Gran Colombia Gold Corp.](#) ("Gran Colombia") pursuant to which Gran Colombia will acquire all of the issued and outstanding common shares of Gold X (the "Gold X Shares") not already owned by Gran Colombia by way of a statutory plan of arrangement (the "Arrangement") under the *Business Corporations Act* (British Columbia).

Gold X Shareholders are encouraged to vote in advance of the proxy voting deadline of 10:00 a.m. (Vancouver time) on Tuesday, May 25, 2021 or at the special meeting on Thursday, May 27, 2021 at 10:00 a.m. (Vancouver time) (the "Meeting").

As described in the management information circular of Gold X (the "Circular") in respect of the Meeting, pursuant to the terms of the Arrangement, all of the issued and outstanding Gold X Shares not already owned by Gran Colombia will be acquired by Gran Colombia in exchange for Gran Colombia common shares (the "Gran Colombia Shares") on the basis of 0.6948 of a Gran Colombia Share for each Gold X Share (the "Exchange Ratio"). The Exchange Ratio implies consideration of CA\$4.10 per Gold X Share based on the 20-day volume weighted average price of the Gran Colombia Shares on the Toronto Stock Exchange as of the market close on March 12, 2021, the last trading day prior to announcement of the Arrangement (the "Value Date"), for total consideration of approximately CA\$315 million on a 100% and fully diluted in-the-money basis. The Exchange Ratio represents a premium of 39% based on the closing price of the Gold X Shares on the TSX Venture Exchange on the Value Date and a 44% premium based on the 20-day volume weighted average price of the Gold X Shares ending on the Value Date.

The Arrangement was unanimously recommended by the independent special committee (the "Special Committee") of the board of directors of Gold X (the "Gold X Board") and the Gold X Board unanimously (with interested directors having abstained from voting) concluded that the Arrangement is in the best interests of Gold X, that the consideration is fair to Gold X Shareholders and to recommend that Gold X Shareholders vote in favour of the Arrangement.

Gold X is providing the below additional details regarding the Arrangement and the events leading up to the announcement of the Arrangement in order to provide Gold X Shareholders with additional context. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Circular.

## Additional Background to the Arrangement

As noted in the Circular, following termination of the previous potential transaction with Gran Colombia in 2020 (the "Proposed 2020 Arrangement"), the Gold X Board had, from time to time, considered strategic alternatives for enhancing shareholder value. The discussions focused on how Gold X could optimize its Toroparu Gold Project in Guyana, both on a stand-alone basis as well as through a potential strategic transaction. As part of its efforts to maximize shareholder value, the Gold X Board tasked the executive directors of Gold X with continuing to explore potential alternatives, including by continuing discussions with Gran Colombia, which might be brought to the Gold X Board for consideration. The Gold X Board was kept apprised of the discussions between management of Gold X and potential strategic partners, including Gran Colombia.

Following the date that the arrangement agreement in respect of the Proposed 2020 Arrangement was terminated, Gold X had considered several different strategic alternatives. During this time, Gold X engaged in formal discussions with three potential interested parties (other than Gran Colombia), two of whom had entered into confidentiality agreements with Gold X and one of whom conducted extensive due diligence on Gold X, including a site visit to the Toroparu Gold Project in Guyana. None of these other parties submitted formal binding or non-binding proposals to Gold X and one indicated that any proposal that it might submit in the future would be subject to a condition that was beyond the control of Gold X and, in the opinion of Gold

X, unlikely to be able to be satisfied.

Management of Gold X also had discussions with Gran Colombia about a potential business combination, from time to time. However, prior to Gold X's receipt of a non-binding letter of intent from Gran Colombia on March 11, 2021, discussions between Gold X management and Gran Colombia were preliminary in nature and there was no confidence that such discussions would result in an indicative offer.

Following receipt of an initial draft non-binding letter of intent from Gran Colombia in respect of a proposed business combination, Gold X management believed that they could negotiate improved terms before taking the non-binding letter of intent to the Gold X Board, and Gold X reached out to Gran Colombia to discuss the offer price. Those discussions resulted in the receipt of a revised non-binding letter of intent later in the day on March 11, 2021. The revised non-binding letter of intent contained improved terms, including, but not limited to, an increase of the proposed non-binding offer price from \$3.75 per share to \$4.10 per share (increasing the premium from approximately 30% to approximately 39%), on the condition that the incremental cash proceeds from the exercise of in-the-money stock options and warrants be retained by Gold X and solely used to fund the agreed upon Transaction Payments due in respect of the change of control. This revised non-binding letter of intent was circulated to the Gold X Board and considered at a meeting of the Gold X Board held on March 12, 2021.

At the March 12, 2021 meeting of the Gold X Board, management briefed the board in detail on the receipt of the initial draft non-binding letter of intent and the subsequent negotiations which resulted in the revised non-binding letter of intent. The Gold X Board was satisfied with the increased and very healthy premium represented by the indicative offer price in the revised non-binding letter of intent. After carefully reviewing and considering the revised non-binding letter of intent, the Gold X Board unanimously approved it (with Messrs. Paredes and Restrepo-Solano, both of whom are nominees of Gran Colombia, abstaining from voting).

In authorizing Gold X to enter into the revised non-binding letter of intent, the Gold X Board considered that, in light of the stage of development of Gold X's Toroparu Gold Project, the capital and expertise required to unlock its value through development and production and Gold X's cash position and ability to raise equity and debt capital as a stand-alone entity, maintaining the status quo was a less attractive alternative than the potential transaction with Gran Colombia.

At the March 12, 2021 meeting of the Gold X Board, the Gold X Board formed the Special Committee, comprising Brian O'Neill and Suresh Beharry, both of whom are independent of Gold X and Gran Colombia. The Special Committee was given a broad mandate and authorized to, among other things, consider, evaluate and negotiate any proposal concerning the proposed Arrangement or any alternative change of control transaction and advise the Gold X Board as to whether any such transaction was in the best interests of Gold X.

As discussed in the Circular, after its formation on March 12, 2021, the Special Committee met on March 13 and March 14, 2021 to review and consider the proposed Arrangement and the terms of the draft Arrangement Agreement. The Special Committee took an active role in supervising the negotiation of the proposed Arrangement and the terms of the Arrangement Agreement. The members of the Special Committee, Messrs. O'Neill and Beharry, also comprised the special committee established to consider the Proposed 2020 Arrangement and as such had the benefit of prior knowledge of Gran Colombia and some of the potential benefits and disadvantages of a potential transaction with Gran Colombia gained from their prior consideration of the Proposed 2020 Arrangement. This considerable background allowed them to consider thoroughly and carefully the Arrangement in a more expedited timeframe than they might have otherwise been able to.

The first draft of the Arrangement Agreement was prepared by Gran Colombia and its counsel and delivered to Gold X and its counsel on March 12, 2021. The initial draft was largely based on the arrangement agreement negotiated and executed by the parties in connection with the Proposed 2020 Arrangement which allowed the parties to focus negotiation on key deal terms. The Special Committee provided management and Gold X legal counsel with specific guidance on areas to be negotiated with Gran Colombia. On the advice and guidance of the Special Committee, Gold X was successful in improving a number of key deal terms as compared to the terms of the Proposed 2020 Arrangement and the initial draft of the Arrangement Agreement prepared by counsel to Gran Colombia, including by revising the provisions regarding Gold X's ability to respond to an Acquisition Proposal to allow for the potential for Gold X to enter into discussions in connection with, and terminate the Arrangement Agreement to accept (subject to the payment of the termination fee) a Superior Proposal received from a Person who would otherwise be restricted from making an Acquisition Proposal pursuant to an existing standstill agreement.

Consistent with their mandate, the Special Committee considered the strategic alternatives available to Gold X, including maintaining the status quo, in making its decision as to whether to recommend that the Gold X

Board approve the Arrangement, and was of the opinion that the Arrangement is in the best interests of Gold X and the Gold X Shareholders for the reasons noted in the Circular.

At the meeting of the Gold X Board held on March 14, 2021 to receive the report of the Special Committee and consider the Arrangement, the executive directors provided an overview of the negotiation of the Arrangement, external legal counsel provided a briefing on the role and responsibilities of the directors in connection with the proposed Arrangement, BMO Capital Markets summarized its oral opinion to the Special Committee that, as of the date of such opinion the Consideration to be received by Gold X Shareholders (other than Gran Colombia and its Affiliates) is fair, from a financial point of view, to such Gold X Shareholders, and the Special Committee described the process undertaken by the Special Committee in evaluating the Arrangement and presented its recommendation. The members of the Gold X Board took note that Messrs. Paredes and Restrepo-Solano were nominees of Gran Colombia and, as such, may have a direct or indirect interest in the Arrangement. Following discussion, the Board unanimously approved the Arrangement and concluded that the Arrangement is in the best interests of Gold X, that the consideration is fair to Gold X Shareholders and to recommend that Gold X Shareholders vote in favour of the Arrangement (with Messrs. Paredes and Restrepo-Solano abstaining from voting).

As detailed in the Circular, the Fairness Opinion was one of several factors considered by the Special Committee and the Gold X Board in coming to the determination to recommend the proposed Arrangement. The Special Committee and the Gold X Board also considered the terms of the Arrangement (including, without limitation, the significant premium offered to Gold X Shareholders, the ability of the Gold X Board to respond to a Superior Proposal and the availability of Dissent Rights) as well as the ability of Gold X Shareholders to participate in the future growth of the Combined Entity, including as a result of the enhanced mine building expertise, balance sheet, access to capital and capital markets profile of the Combined Entity. As stated above, the Gold X Board also considered the stage of development of the Toroparu Gold Project, the capital and expertise required to unlock its value through development and production and the Issuer's cash position and ability to raise equity and debt capital as a stand-alone entity.

In reaching the unanimous conclusion (with Messrs. Paredes and Restrepo-Solano abstaining from voting) that the Arrangement is in the best interests of Gold X and to recommend that Gold X Shareholders vote in favour of the Arrangement, the Gold X Board also considered the unanimous recommendation of the Special Committee.

To the best of Gold X's knowledge, after reasonable inquiry, there has been no prior valuation of Gold X, Gold X's securities or Gold X's material assets in the 24 months prior to the date of the Circular.

### **Additional Information**

Full details of the Arrangement are set out in the Arrangement Agreement, a copy of which is available under Gold X's profile on SEDAR at [www.sedar.com](http://www.sedar.com). In addition, further information regarding the Arrangement is contained in the Circular, a copy of which is available under Gold X's profile on SEDAR at [www.sedar.com](http://www.sedar.com). All Gold X Shareholders are urged to read the Circular as it contains additional important information concerning the Arrangement.

### **About Gold X Mining Corp.**

[Gold X Mining Corp.](#) is a Canadian junior mining company developing the Toroparu Gold Project in Guyana, South America. Gold X has spent more than US\$150 million on the Project to date to classify 7.35 million ounces of Measured and Indicated and 3.15 million ounces of Inferred gold resources, develop engineering studies for use in a feasibility study, and define a number of exploration targets around the Toroparu Project on its 53,844 hectare (538 km<sup>2</sup>) 100% owned Upper Puruni Concession. Gold X has 53,032,452 issued and outstanding common shares with more than 40% of the shares closely held by insiders and Gold X's executive management team.

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*Additional information on Gold X can be found on its website at [www.goldxmining.com](http://www.goldxmining.com) and by reviewing its*

profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Cautionary Statement on Forward-Looking Information:**

*Certain of the information contained in this news release constitutes 'forward-looking statements' within the meaning of securities laws. Such forward-looking statements, including but not limited to statements relating to the transaction and the proposed Arrangement as proposed to be effected pursuant to the Arrangement Agreement; and the anticipated timing and effects of the completion of the Arrangement, involve risks, uncertainties and other factors which may cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such factors include, among others, obtaining required shareholder and regulatory approvals, exercise of any termination rights under the Arrangement Agreement, meeting other conditions in the Arrangement Agreement, material adverse effects on the business, properties and assets of Gold X, and whether any superior proposal will be made. Although Gold X has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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. Gold X does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.*

*The forward-looking statements in this press release involve known and unknown risks, uncertainties and other factors that may cause Gold X's actual results, performance and achievements to be materially different from the results, performance or achievements expressed or implied therein.*

*None of the securities to be issued pursuant to the transaction have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issuable in the transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.*

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