

# Noront Files Directors' Circular in Support of BHP's All-Cash Offer for Noront and Recommends Shareholders Accept the Offer

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TORONTO, Aug. 09, 2021 - [Noront Resources Ltd.](#) (TSXV: NOT) ("Noront" or the "Company") today announced that it has filed a directors' circular (the "Directors' Circular") in connection with the proposed acquisition of Noront by BHP Western Mining Resources International Pty Ltd ("BHP" or the "Offeror"), a wholly-owned subsidiary of BHP Lonsdale Investments Pty Ltd. ("BHP Lonsdale").

## The Transaction

As announced on July 27, 2021, Noront entered into a definitive Support Agreement pursuant to which BHP has made a take-over bid to acquire all of the issued and outstanding common shares of Noront (the "Noront Shares") for C\$0.55 per Noront Share in cash (the "Offer"). The total equity value of the transaction is C\$325 million (based on 100% of the fully diluted shares outstanding).

The cash consideration of C\$0.55 per Noront Share (the "Offer Price") represents a premium of 129% to Noront's unaffected closing price of C\$0.24 on May 21, 2021, the last trading day prior to the date that Wyloo Metals Pty Ltd. ("Wyloo") first publicly announced its intention to make an offer for Noront, and is C\$0.235 per share, or 75%, higher than the C\$0.315 per share proposed by Wyloo in its announcement on May 25, 2021.

For further details relating to the Offer, please refer to BHP's take-over bid circular in respect of the Offer dated July 27, 2021, which is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under Noront's issuer profile and on Noront's corporate website ([www.norontresources.com](http://www.norontresources.com)).

## Board Recommendation

The Board of Directors of Noront (the "Board"), acting on the recommendation of the Special Committee, and after evaluating the Offer in consultation with Noront's legal and financial advisors, has determined that the Offer is fair, from a financial point of view, to Noront shareholders ("Shareholders") and in the best interests of Noront and its Shareholders. As such, the Board is recommending that Shareholders tender their Noront Shares and accept the Offer.

"The BHP Offer represents a compelling premium and immediately crystallizes certain value by providing 100% cash consideration for Noront Shares. Noront's Board of Directors recommends that Noront shareholders tender their Noront Shares to the BHP Offer," said Alan Coutts, Noront CEO.

As described in the Directors' Circular, the reasons for the Board's unanimous recommendation of the Offer, among others, include:

- *Compelling Premium for Shareholders.* The Offer Price represents a 69% premium to the closing price of \$0.325 per Noront Share on the TSX Venture Exchange ("TSX-V") on July 26, 2021 (the last trading day prior to the announcement of the Offer) and a 129% premium to the closing price of \$0.24 per Noront Share on the TSX-V on May 21, 2021 (the last trading day prior to the announcement by Wyloo of its intention to make an offer to acquire the Noront Shares). The Offer represents a 75% premium to Wyloo's proposed offer price of \$0.315 per Noront Share.

- **Cash Provides Certainty of Value and Liquidity.** The consideration under the Offer is all cash, giving depositing Shareholders certainty of value and immediate liquidity while removing financing, market, regulatory and execution risks to Shareholders.
- **No Financing Condition.** The Offer is not subject to any financing condition. The Offeror intends to fund the cash consideration for the Noront Shares through available cash resources.
- **Search for the Best Alternative.** Following Wyloo's announcement on May 25, 2021 of its intention to make an offer for the Noront Shares, a Special Committee of Independent Directors was formed with the mandate of considering the proposed Wyloo bid and other strategic alternatives available to the Company, including, among other alternatives, maintaining the status quo as a publicly-traded company. The Special Committee and the Board ultimately determined on July 26, 2021 to support the Offer.
- **TD Securities Fairness Opinion.** TD Securities provided the Board with an opinion to the effect that, as of the date of such opinion, subject to the assumptions, limitations, and qualifications which are set out in the opinion that is attached as Appendix "B" to the Directors' Circular (the "TD Securities Fairness Opinion"), the Offer is fair, from a financial point of view, to Shareholders (other than BHP Lonsdale and its affiliates). The full text of the TD Securities Fairness Opinion is attached as Appendix "B" to the Directors' Circular. The Board recommends that Shareholders read the TD Securities Fairness Opinion in its entirety.
- **Stifel Fairness Opinion.** Stifel, who is also acting as independent valuator engaged to prepare a formal valuation of the Noront Shares in connection with the proposed Wyloo bid, provided the Special Committee and the Board with an opinion to the effect that, as of the date of such opinion, subject to the assumptions, limitations, and qualifications which are set out in the opinion that is attached as Appendix "C" to the Directors' Circular (the "Stifel Fairness Opinion"), the Offer is fair, from a financial point of view, to Shareholders (other than BHP Lonsdale and its affiliates). The full text of the Stifel Fairness Opinion is attached as Appendix "C" to the Directors' Circular. The Board recommends that Shareholders read the Stifel Fairness Opinion in its entirety.
- **Ability to Respond to Superior Proposals.** The Board has reserved the ability to respond to unsolicited proposals that may deliver greater value to Shareholders than the Offer. The terms and conditions of the support agreement do not prevent an unsolicited third party from proposing or making a superior proposal and, provided the Company complies with the terms of the support agreement, do not preclude the Board from responding to, considering and acting on a superior proposal. The Company is permitted to terminate the support agreement to accept, approve or recommend a superior proposal that is made and not matched by the Offeror, provided that the Company pays the Offeror the requisite termination payment.
- **Arm's Length Negotiations.** Active, arm's length negotiations between the Special Committee and the Offeror resulted in the price of the Offer being increased during its negotiations with the Offeror and finally agreed upon at an amount considered to be fair, from a financial point of view, to Shareholders, based on the financial and legal advice received by the Special Committee and the Board, including the TD Securities Fairness Opinion and the Stifel Fairness Opinion, subject to the scope of review, assumptions and limitations and other matters described therein.
- **Project Execution and Development Risk.** The Board and the Special Committee believe that the Offer provides Shareholders with the value inherent in the Company's portfolio of projects, including the Eagle's Nest Project, without the long-term risks associated with the development and execution of those projects. Given the relatively early stage of the Company's projects, it will be several years before the Eagle's Nest Project or other projects in the portfolio reach commercial production, if at all.
- **Significant Growth Funding Required.** The Company's development and exploration projects have significant funding requirements to bring them to the production stage. The Company currently has limited cash to fund the necessary capital projects and near-term debt maturities, which will be a further drain on cash. Equity financing sufficient to repay debt and fund the progress of the Company's business plan, if available, may be significantly dilutive to Shareholders.
- **Support of Shareholders.** Based on the reasons underpinning the Board's recommendation, certain Shareholders, including certain directors and each executive officer of the Company, have entered into lock-up agreements with the Offeror pursuant to which they have agreed to, *inter alia*, support the Offer and to deposit all Noront Shares held or to be acquired by them pursuant to the exercise of options or share awards, representing approximately 9.9% of the issued and to be issued Noront Shares, on a fully-diluted basis, subject to the terms and conditions of such agreements.

- *Unanimous Recommendation of the Board.* The members of the Board who voted on the matter have, after consultation with the Board's financial and legal advisors and the Special Committee, UNANIMOUSLY DETERMINED that the Offer is in the best interests of the Company and the Shareholders and the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, UNANIMOUSLY RECOMMENDED that Shareholders ACCEPT the Offer and DEPOSIT their Noront Shares under the Offer.

#### Noront Directors' Circular

Noront's Directors' Circular is available electronically on SEDAR ([www.sedar.com](http://www.sedar.com)) under Noront's issuer profile and on Noront's corporate website ([www.norontresources.com](http://www.norontresources.com)), and is being mailed to all persons required to receive a copy under applicable securities laws.

The Board encourages Noront shareholders to carefully read the information sent to them and to DEPOSIT their Noront Shares. Noront Shareholders are encouraged to tender their Noront Shares as soon as possible.

#### Shareholder Questions and Assistance

Noront shareholders who have questions or require assistance in considering the all-cash, recommended BHP Offer, should visit [www.noronttender.ca](http://www.noronttender.ca) or should contact the depositary and information agent for the Offer, Kingsdale Advisors, by telephone toll-free at 1-866-581-0512 (416-867-2272 for collect calls outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

#### About Noront Resources

[Noront Resources Ltd.](http://www.norontresources.com) is focused on the development of its high-grade Eagle's Nest nickel, copper, platinum and palladium deposit and the world class chromite deposits including Blackbird, Black Thor, and Big Daddy, all of which are located in the James Bay Lowlands of Ontario in an emerging metals camp known as the Ring of Fire. [www.norontresources.com](http://www.norontresources.com)

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#### Forward Looking Statements

Certain statements contained in this press release contain "forward-looking information" within the meaning of applicable securities laws and are prospective in nature. Forward-looking information and statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties that could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

Forward-looking statements include, but are not limited to, statements regarding: the Offer, including the results and effects of the Offer and reasons to accept the Offer.

Although Noront believes that the expectations reflected in such forward-looking information and statements are reasonable, such information and statements involve risks and uncertainties, and undue reliance should not be placed on such information and statements. Material factors or assumptions that were applied in formulating the forward-looking information contained herein include, without limitation, the expectations and

beliefs that the Offer will be successful, that all required regulatory consents and approvals will be obtained and all other conditions to completion of the transaction will be satisfied or waived, and the ability to achieve goals. Noront cautions that the foregoing list of material factors and assumptions is not exhaustive. Many of these assumptions are based on factors and events that are not within the control of the Offeror, BHP Lonsdale or Noront, and there is no assurance that they will prove correct. Consequently, there can be no assurance that the actual results or developments anticipated by Noront will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, Noront or its future results and performance.

Forward-looking information and statements in this press release are based on Noront's beliefs and opinions at the time the statements are made, and there should be no expectation that these forward-looking statements will be updated or supplemented as a result of new information, estimates or opinions, future events or results or otherwise, and Noront disavows and disclaims any obligation to do so except as required by applicable law. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Noront.

Neither the TSX-V nor its Regulation Services Provided (as that term is defined in the Policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

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