

# Signature of a Non-Binding Letter of Intent Regarding the Acquisition of Pershimex Resources by Abcourt Mines

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[Pershime Resources Corporation](#) ("Pershime" or "the Company") (TSX VENTURE : PRO) is pleased to announce that it has entered into a non-binding Letter of Intent dated June 9, 2022 (the "Letter of Intent") with [Abcourt Mines Inc.](#) ("Abcourt") (TSX Venture: ABI) in connection with a proposed transaction, whereby the Company would acquire all of the issued and outstanding securities of Pershimex by way of a three-cornered amalgamation (the "Transaction"). The proposed transaction will create value for shareholders of both companies and is part of Abcourt's vision to create a larger and more diversified emerging gold producer and explorer in Quebec. The proposed transaction offers an attractive investment opportunity for existing and potential investors that we believe will result in significant share price appreciation for shareholders of both companies.

## TRANSACTION HIGHLIGHTS

The strengths of the combined company include:

1. ~510 km<sup>2</sup> of strategic mining properties in Quebec's main gold district, Abitibi;
  - a. We estimate that after the transaction, Abcourt will be the 3rd largest holder of mining properties in the regions surrounding Rouyn-Noranda, Amos, Val-d'Or and Lebel-sur-Quevillon
2. A large and diversified portfolio of projects in Quebec, which includes:
  - a. 2 underground gold mines that are under care and maintenance and awaiting restart (the Elder and Sleeping Giant gold mines),
  - b. A 750 tpd mill in operation at the Sleeping Giant mine site,
  - c. 14 early-to-advanced stage gold exploration projects with many known deposits,
  - d. A feasibility stage zinc-silver project (Abcourt-Barvue) and a nearby satellite deposit (Vendôme),
3. Potential for substantial synergies from (i) the extraction and processing of the 5,000-tonne bulk sample at the former Pershing-Manitou mine; (ii) consolidating and optimizing exploration and development activities in the region; and (iii) corporate overhead costs and
4. Increased market capitalization and a better position as a new combined company to take advantage of the financial markets and attract new institutional investors and high net worth retail investors.

The proposed Transaction will provide significant benefits to Pershimex shareholders, including:

1. An immediate offer premium of 27.2% over Pershimex's trailing 5-day VWAP;
2. Moving from a Quebec small-cap gold explorer to a high-growth emerging gold producer.
3. Near-term upside from the restart of the Sleeping Giant gold mine
4. Utilize the Abcourt's Sleeping Giant mill and operating expertise and experience to maximize the value of the Pershing-Manitou project.
5. Upside from the potential monetization of Abcourt's non-core assets.

Robert Gagnon, President and Chief Executive Officer of the Company, said: "This is excellent news for all Pershimex shareholders. We are in a period of consolidation in the Abitibi mining camp and this agreement was reached with that in mind. Quebec, and more specifically Abitibi, is full of high-value properties and exceptional talent, but these are too often separated into several entities, and this hinders the competitiveness of all. We are proud to partner with one of Quebec's only mining producers and believe that the unification of our various strengths will make our new entity a powerful vehicle for our loyal shareholders."

## TRANSACTION SUMMARY

Under the merger transaction plan presented by Abcourt, following Abcourt's reorganization, Pershimex shareholders will receive 0.5714 Abcourt common shares prior to consolidation (each, one "Abcourt share prior to consolidation") in exchange for each Pershimex common share (each, one "Pershime share") (collectively, the "Exchange Ratio"). The Exchange Ratio implies a consideration of C\$0.038 per Pershimex Share based on the volume weighted average price (VWAP) of Abcourt's common shares on the TSX Venture Exchange (the TSXV) over the five trading days ending June 8, 2022, and results in the following offer premiums:

- 27.2% premium to Pershimex's 5-day VWAP and a 22.9% premium to its 20-day VWAP over the period ending June 8, 2022; and
- 33.3% premium over Pershimex's previous day close based on the implied offer price of C\$0.040 per Pershimex share calculated using Abcourt's closing share price as of June 6, 2022, which is the day prior to the date that the Board of Directors of Pershimex entered into the LOI.

In accordance with the proposed transaction, the combined company will be 81.2% owned by Abcourt shareholders and 18.8% by Pershimex shareholders.

As part with the proposed Transaction, all outstanding Pershimex options will be exchanged for economically equivalent options to purchase Abcourt Shares (subject to an adjustment based on the Exchange Ratio and Share Consolidation) and Pershimex warrant holders will be entitled, in accordance with the terms of such warrants, to receive Abcourt Shares on the exercise of these warrants (subject to adjustments based on the Exchange Ratio and the Shares Consolidation).

The proposed Transaction is expected to be structured as a three-cornered amalgamation under the Canada Business Corporations Act ("CBCA"), pursuant to which a wholly-owned subsidiary to be incorporated by the Corporation under the CBCA ("Subco") would amalgamate with Pershimex, with the entity resulting from such amalgamation becoming a wholly-owned subsidiary of Abcourt. The proposed Transaction will be subject to Abcourt, Pershimex and Subco (collectively, the "Parties") entering into an amalgamation agreement (the "Amalgamation Agreement"), which will contain terms and conditions customary for transactions of this nature, including non-solicitation provisions, expense reimbursement provisions, rights to match and mutual termination fees payable in certain circumstances where a Party elects not to proceed with the proposed Transaction.

In connection of the proposed transaction, Pershimex will have the right to appoint a director to Abcourt's Board of Directors.

The Parties will use their best efforts to negotiate and finalize the Amalgamation Agreement and other transaction documents on or before June 30, 2022 or such other date mutually agreed by Abcourt and Pershimex. To facilitate this process, Pershimex has entered into an exclusivity agreement with Abcourt. In addition, Abcourt and Pershimex have entered into a mutual confidentiality agreement to facilitate the completion of remaining technical, financial and legal due diligence. Subject to the closing of the Amalgamation Agreement, the closing of the proposed Transaction will be subject to numerous approvals, including but not limited to:

1. Pershimex shareholder approval of the Amalgamation Agreement to be held at a special meeting of Pershimex shareholders to be announced by Pershimex at a later date, the approvals of which would include:
  - a. At least two-thirds of the votes cast by Pershimex shareholders and Pershimex option holders voting as a single class, and
  - b. A simple majority of the votes cast by Pershimex shareholders, excluding for this purpose the votes of "related parties" and "interested parties" and other votes required to be excluded under Multilateral Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions
2. The approval of the majority of votes cast by Abcourt's shareholders for the proposed Share Consolidation and the name change at a special meeting of shareholders to be announced by Abcourt at a later date.
3. Customary regulatory and stock exchange approvals.

No shareholder vote for approval of the proposed transaction is required by Abcourt shareholders. The Parties anticipate the proposed Transaction to close by September 30, 2022.

The proposed Transaction has the full endorsement of the Board of Directors of Abcourt and Pershimex.

Pershime's Board of Directors expects to issue its formal recommendation to Pershimex shareholders upon conclusion of the Amalgamation Agreement. The Amalgamation Agreement is anticipated to include customary support agreements between all directors and Pershimex's senior management to vote their Pershimex shares in favor of the proposed transaction.

## QUALIFIED PERSON

This press release was prepared by Robert Gagnon, professional geologist and President of Pershimex, a qualified person under NI 43-101.

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