

Eagle Plains Announces the Execution of Definitive Agreements Relating to the Proposed Spin-Out of Eagle Royalties

01.03.2023 | [ACCESS Newswire](#)

CRANKBROOK, March 1, 2023 - Further to its news release dated January 4, 2023, [Eagle Plains Resources Ltd.](#) (TSXV:EPL) ("EPL" or "Eagle Plains") is pleased to announce that it has entered into an arrangement agreement with its wholly-owned subsidiary, [Eagle Royalties Ltd.](#) ("ER" or "Eagle Royalties") and an amalgamation agreement among 1386884 B.C. Ltd. ("138") and Eagle Royalties.

Strategic Rationale for the Spin-out Transaction and the Subsequent Amalgamation

- Separating over 50 separate royalties from Eagle Plain's current portfolio of assets is expected to enable Eagle Royalties to focus on accretive growth, spotlighting the value of the royalty assets and potentially realizing a fair market value that is commensurate with peer royalty companies;
- Eagle Plains securityholders will benefit by holding shares in two separate public companies listed on both the TSX Venture Exchange ("TSX-V") and the Canadian Securities Exchange ("CSE");
- Separating the royalties is expected to expand Eagle Royalties' potential shareholder base, marketing opportunities and access to capital;
- Packaging these diverse royalty assets into an independent and stand-alone vehicle that is readily available for a possible acquisition by other royalty companies interested in expanding their existing portfolio; and
- Eagle Plains' board of directors and management team will maintain its focus on its core business model of acquiring and advancing grassroots critical and precious metal exploration properties.

Tim Termuende, President and CEO of Eagle Plains and Eagle Royalties commented on the proposed transaction: "We are encouraged by progress made to date by our geological, accounting and legal teams. As we move toward completion of the proposed transactions, we are confident that the resulting entity will be well-funded, well-structured and strategically positioned to take advantage of opportunities in the royalty sector".

Definitive Agreements and Related Matters

Arrangement Agreement

Under the terms of arrangement agreement dated February 28, 2023 between Eagle Plains and Eagle Royalties, Eagle Plains will undergo a capital reorganization and, through a series of transactions, will transfer a majority of its portfolio of royalty interests (the "Royalties") to Eagle Royalties (the "Spin-out Transaction"). As a result of the Spin-out Transaction, ER plans to issue an aggregate of 42 million Eagle Royalty shares (the "Spinco Shares"). Of the total Spinco Shares, it is expected that approximately 5.5 million Spinco Shares will be retained by EPL and the remaining approximately 36.5 million Spinco Shares will be distributed to former EPL shareholders on a 1:3 basis.

The board of directors of Eagle Plain and Eagle Royalties have unanimously approved the signing of the arrangement agreement to give effect to the Spin-out Transaction.

Amalgamation Agreement

Under the terms of amalgamation agreement dated February 28, 2023 among 138, Eagle Plains and Eagle Royalties, immediately after the Spin-out Transaction, Eagle Royalties and 138 will combine and continue as one business entity under the name "Eagle Royalties Ltd." (the "Combination Transaction"). The combination between 138 and Eagle Royalties and its respective share capital will be completed on 1:1 basis. Following

the completion of the Combination Transaction, Eagle Royalties will make an application for the listing of its common shares on the CSE.

On completion of the Combination Transaction, it is anticipated that Eagle Royalties will commence trading with treasury holding a minimum of \$2.5M in cash.

The board of directors of Eagle Royalties and 138 have each unanimously approved the signing of the amalgamation agreement.

Transaction Conditions and Timing

Eagle Plains intends to call a special meeting of securityholders to be held on or about April 20, 2023 to seek securityholder approval for the Spin-out Transaction (the "Meeting"). The record date for the Spin-out Transaction (i.e. the cut-off date for eligible EPL securityholders to receive a 1/3 spin-out share of Eagle Royalties) is expected to be March 17, 2023.

The Spin-out Transaction will be effected by way of a court approved plan of arrangement under Section 193 of the Business Corporations Act (Alberta) and is expected to require:

1. approval of at least 66.66% of the votes cast by Eagle Plains securityholders, voting as a single class; and
2. a simple majority of the votes cast by Eagle Plains securityholders, voting as a single class, as required under Multilateral Instrument 61-101 - Protection of Minority Securityholders in Special Transactions.

Given the sequencing and timing of the transactions, the Combination Transaction will not require the approval of EPL securityholders, but will require the approval of ER's sole shareholder, Eagle Plains.

The completion of the Spin-out Transaction and the Combination Transaction (collectively, the "Transactions") are also subject to the receipt of court and applicable stock exchange approvals, namely TSX-V and the CSE, and any other required regulatory approvals, and is subject to certain customary closing conditions for transactions of this nature.

The amalgamation agreement provides for, among other things, non-solicitation covenants, with "fiduciary out" provisions that allows the board of directors of Eagle Plains and Eagle Royalties to consider and accept a superior proposal, subject to a "right to match period" in favour of 138.

The Transactions are expected to close in the first half of 2023.

Voting Support Agreements, Board Approval and Recommendation

Officers and directors of Eagle Plains (collectively, the "Insiders") who together hold, or exercise direction and control over, approximately 12 million Eagle Plains common shares (10.9% of the total issued and outstanding Eagle Plains common shares) (the "Insider Shares") have each entered into a voting and support agreement pursuant to which they have each agreed, among other things, to vote their Eagle Plains common shares in favour of the Spin-out Transaction.

Eagle Plains has received overwhelming support for the Spin-out Transaction from multiple significant shareholders that were contacted by the EPL's investor relations team in late February 2023 and along with the Insiders, EPL has secured written support of approximately 27.5 million Eagle Plains common shares (25% of the total issued and outstanding Eagle Plains common shares), 8.2 million Eagle Plains options (96% of the total issued and outstanding Eagle Plains options) and 2.5 million Eagle Plains warrants (47% of the total issued and outstanding Eagle Plains warrants).

The Transactions have been unanimously approved by the board of directors of each Eagle Plains, Eagle Royalties and 138. The board of directors of Eagle Plains unanimously recommends that its securityholders

vote in favour of the Spin-out Transaction.

Eagle Plains Options and Warrants

Pursuant to the terms of the arrangement agreement, all vested Eagle Plains options and outstanding Eagle Plains warrants, if exercised by the holder prior to the expiry of such options or warrants, will entitle the holder to receive one (1) Eagle Plains common share and 1/3rd of an Eagle Royalties common share.

Concurrent Financing

Concurrent with the Transactions, 138 will complete a private placement financing (the "Concurrent Financing") raising gross proceeds of approximately \$3 million through the issuance of common shares, units or subscription receipts, as the case may be at a price of \$0.30 per security. In connection with the Concurrent Financing, 138 may: (i) pay agent commissions in cash of up to 7% of the gross proceed raised from the Concurrent Financing; and (ii) issue broker's warrants, equivalent to 7% of the 138 securities sold through the Concurrent Financing.

Additional Matters Relating to the Transactions

For all additional matters relating to the Transactions and, in particular, matters relating to the statutory and contractual escrow that will be applicable to Eagle Plains securityholders following the completion of the Transactions, readers are encouraged to review the news release dated January 4, 2023, which is available at the following link:

<https://www.eagleplains.com/news/eagle-plains-announces-signing-letter-intent-spin-out-certain-royalty-assets>

About Eagle Royalties Ltd.

Eagle Royalties is a wholly owned subsidiary of Eagle Plains. It manages royalty assets that have been generated by the corporate operations of the parent company over thirty years of conducting business as a project generator in the mineral exploration industry. Eagle Royalties intends to expand its portfolio of royalty assets as Eagle Plains continues with mineral exploration, project acquisition activities and deal-flow in western Canada.

About 1386884 B.C. Ltd.

138 is a private British Columbia incorporated company. 138 has no active business, instead it has been incorporated with the sole intention of completing the Combination Transaction.

About Eagle Plains Resources

Based in Cranbrook, B.C., Eagle Plains is a well-funded, prolific project generator that continues to conduct research, acquire and explore mineral projects throughout western Canada. The Company was formed in 1992 and is the ninth-oldest listed issuer on the TSX-V (and one of only three that has not seen a roll-back or restructuring of its shares). Eagle Plains has continued to deliver shareholder value over the years and through numerous spin-outs has transferred over \$100,000,000 in value directly to its shareholders, with Copper Canyon Resources and recently Taiga Gold being notable examples. The Company is committed to steadily enhancing shareholder value by advancing our diverse portfolio of projects toward discovery through collaborative partnerships and development of a highly experienced technical team.

In late 2022 Eagle Plains announced the formation of a separate division within the Company; Eagle Royalties Ltd. ("ER") which will hold many of Eagle Plains' diverse portfolio of royalty assets. The restructuring will enhance the valuation of Eagle Plains' extensive royalty interests, enabling ER to market and develop its royalty assets while seeking additional royalty acquisition opportunities. Eagle Plains' royalties cover a broad spectrum of commodities on projects controlled by Cameco Corp., Iso Energy Corp., Denison Mines Corp., Skeena Resources Ltd. and Hecla Mining Co./Banyan Gold Corp., among others. Eagle Plains will continue to focus on its core business model of acquiring and advancing grassroots critical-

and precious-metal exploration properties.

Expenditures from 2011-2022 on Eagle Plains-related projects exceed \$30M, the majority of which was funded by third-party partners. This exploration work resulted in approximately 45,000m of diamond-drilling and extensive ground-based exploration work facilitating the advancement of numerous projects at various stages of development. Throughout the exploration process, our mission is to help maintain prosperous communities by exploring for and discovering resource opportunities while building lasting relationships through honest and respectful business practices.

Advisors

McLeod Law LLP is acting as legal counsel to Eagle Plains and Eagle Royalties in connection with the Transactions. Armstrong Simpson, Barristers and Solicitors is acting as legal counsel to 138. Nauth LPC is acting as US legal counsel to Eagle Plains and Eagle Royalties on all US securities law matters relating to the Transactions.

On behalf of the Board of Directors of Eagle Plains

"Tim J. Termuende"
President and CEO

For further information on EPL, please contact Mike Labach at 1 866 HUNT ORE (486 8673)

Email: mgl@eagleplains.com or visit our website at <https://www.eagleplains.com>

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking information" and "forward-looking statements" (collectively, the "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes", an or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

In this news release, forward-looking statements relate, among other things, to the terms and conditions of the Proposed Transaction, the issuance of Spin-out Shares, the completion of the Concurrent Financing, the proposed listings of Eagle Royalties on the CSE, the execution the definitive agreements to give effect to the Transactions, the expected closing timeline of the proposed Transactions and the business of Eagle Royalties following the completion of the proposed Transactions. These forward-looking statements reflect the EPL's current beliefs and is based on information currently available to it and on assumptions EPL's management believes to be fair and reasonable. These assumptions include but are not limited to, the ability of the parties to complete the proposed Transactions at all or in a timely manner, the ability of the combined business to be listed on the CSE and following such listing, ER's ability to meet the continued listing requirements, the ability of each of EPL, ER and 138 to successfully secure all of the necessary approvals to complete the proposed Transactions, the ability of 138 to successfully raise the capital as contemplated in the news release and successfully close the Concurrent Financing, the completion of satisfactory due diligence by 138 in relation to the proposed Transactions; the satisfactory fulfilment of all of the condition's precedent prior to giving effect to the proposed Transactions; and the receipt of all required securityholder approval, court approval and other regulatory approvals for the proposed Transactions.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to, general business, economic, competitive, political, and social uncertainties; general capital market conditions and market price for securities; and the delay or failure to receive board, shareholder, court, or regulatory approvals, as applicable. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in EPL's disclosure documents on the SEDAR at www.sedar.com. Although EPL has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements in this news release, there may be other factors that could cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. 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 the forward-looking statements and information contained in this news release. Except as required by law, EPL does not assume any obligation to update the forward-looking statements should they change.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/437013--Eagle-Plains-Announces-the-Execution-of-Definitive-Agreements-Relating-to-the-Proposed-Spin-Out-of-Eagle-Roy>

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