

Labrador Iron Mines Holdings Limited Announces Proposed Acquisition of Minority Interest in Labrador Iron Mines Limited

17.03.2023 | [Newsfile](#)

[Labrador Iron Mines Holdings Ltd.](#) (OTC Pink: LBRMF) (the "Company" or "LIMH") announced today that it has entered into an amalgamation agreement with its majority owned subsidiary, Labrador Iron Mines Limited ("LIM"), whereby, the Company will acquire all of the shares of LIM that it does not currently own, in exchange for new shares in the Company, subject to and conditional upon approval by the Shareholders of LIM at a Special Meeting of Shareholders of LIM which has been called for March 30, 2023. The Company currently holds approximately 52% of LIM.

At the Special Meeting, LIM Shareholders will be asked to consider a special resolution to approve the Amalgamation of LIM with a wholly owned subsidiary of the Company, involving the issue of shares of the Company to LIM shareholders, such that LIM will, once again, be a wholly owned subsidiary of the Company.

John Kearney, Chairman and CEO stated: "LIM Management believes that combining the shareholdings of LIMH and LIM, into a single publicly traded company, will simplify the corporate structure, improve liquidity and market capitalization, enhance financing flexibility for the development and construction of the Houston Project, and create the best prospects for long-term value for shareholders."

"It is now proposed to simplify the group corporate structure by combining LIMH with LIM in a three-way, statutory amalgamation whereby LIM shareholders would receive new shares of LIMH and LIMH would hold 100% of LIM. In summary, the proposal is to put the group structure back the way it was prior to the CCAA reorganization in 2015."

"I strongly support the Amalgamation and will be voting my own shares in LIM in favor of the Amalgamation, and I recommend that LIM shareholders do the same."

The Notice of Meeting and accompanying Information Memorandum mailed to LIM shareholders today contains a detailed description of the Amalgamation, instructions on how to vote at the Special Meeting, as well as information regarding LIM and LIMH, and certain pro forma and other information on LIMH after giving effect to the Amalgamation, including discussion of various risk factors.

TRANSACTION OVERVIEW

The transaction is to be affected by way of a statutory amalgamation of Labrador Iron Mines Limited with 5035020 Ontario Limited, a wholly owned subsidiary corporation of the Company (LIMH), under Section 174 of the Business Corporations Act (Ontario),

The number of LIMH Shares to be issued in exchange for the LIM Shares is calculated to equate to the relative percentage interest of each company in the underlying assets. That is, the shareholders of LIM, other than LIMH, will continue to hold, indirectly, the same percentage interest in the assets of LIM upon completion of the Amalgamation as they hold, directly, before the Amalgamation.

Under the Amalgamation all LIM Shares, other than LIM Shares held by LIMH, will be exchanged for LIMH Shares on the basis of 3.1136546 LIMH shares for each LIM share held, resulting in the issuance of an aggregate of approximately 148,362,500 LIMH Shares.

The consummation of the Amalgamation is subject to a number of conditions customary to transactions of

this nature, including, among others, the adoption of a resolution approving the Amalgamation at the special meeting of securityholders of LIM to be held on March 30, 2023 by at least 66⅔% of votes cast by shareholders present in person or represented by proxy at the Meeting;

The Amalgamation is expected to close shortly thereafter, subject to approval by LIM shareholders and other customary closing conditions.

Dissent Rights

The terms of the Amalgamation provide that registered shareholders of LIM who oppose the Amalgamation may, upon compliance with certain conditions, have the ability to exercise dissent rights and, if ultimately successful, to receive fair value for their common shares (as described in the Information Memorandum).

ABOUT LABRADOR IRON MINES HOLDINGS LIMITED

[Labrador Iron Mines Holdings Ltd.](#), through its majority owned subsidiaries LIM and Schefferville Mines Inc. ("SMI"), owns extensive iron ore resources in the central part of the Labrador Trough region, one of the major iron ore producing regions in the world, centered near the town of Schefferville, Quebec.

LIM's current focus is on planning activities related to the development of its Houston Project and, subject to securing project financing, is positioned to resume project development and production of direct shipping iron ore (DSO) from the Houston Project. In the three-year period of 2011, 2012 and 2013, LIM produced a total of 3.6 million dry metric tonnes of iron ore, all of which was sold in 23 cape-size shipments into the China spot market.

In March 2021, the Company reported the results of an independent PEA on the Houston Project prepared by RPA, now part of SLR Consulting Ltd. The Technical Report on the PEA, prepared in accordance with National Instrument 43-101, may be viewed under the Company's profile on SEDAR, or on the Company's website.

In addition to the Houston Project, LIM holds approximately 50 million tons in historical DSO resources in various deposits in the Schefferville region. LIM also holds the Elizabeth Taconite Project, which has an inferred mineral resource estimate (as at June 15, 2013) of 620 million tonnes at an average grade of 31.8% Fe.

For further information, please visit LIM's website at www.labradorironmines.ca or contact:

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Cautionary Statements:

The terms "iron ore" and "ore" in this document are used in a descriptive sense and should not be considered as representing current economic viability. A Feasibility Study has not been conducted on any of the Company's Schefferville Projects.

Forward-Looking Statement:

Some of the statements contained in this News Release may be forward-looking statements which involve

known and unknown risks and uncertainties relating to, but not limited to, LIM's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties and assumptions regarding financing. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, delays in obtaining or failures to obtain required financing, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, delays in the development of projects, changes in exchange rates, fluctuations in commodity prices, inflation and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. There can be no assurance that LIM will be successful in maintaining any agreement with any First Nations groups who may assert aboriginal rights or may have a claim which affects LIM's properties or may be impacted by the Schefferville Projects. Shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders and prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. LIM undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/438404--Labrador-Iron-Mines-Holdings-Limited-Announces-Proposed-Acquisition-of-Minority-Interest-in-Labrador-Iron-Mines>

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