

# Franco-Nevada Corporation Offers to Acquire All Shares of Gold Wheaton Gold Corp. in Friendly Business Combination

13.12.2010 | [Marketwired](#)

Vancouver, 12/13/10 - [Gold Wheaton Gold Corp.](#) (TSX: GLW) ('Gold Wheaton') today announced that it has entered into a binding letter agreement (the 'Agreement') with [Franco-Nevada Corporation](#) (TSX: FNV) ('Franco-Nevada') whereby Franco-Nevada will acquire, through a court-approved plan of arrangement (the 'Arrangement') under the Business Corporations Act, British Columbia, all of the outstanding common shares (the 'Gold Wheaton Shares') of Gold Wheaton for total consideration of approximately C\$830 million payable as to 60% in shares and 40% in cash.

Under the Arrangement, each Gold Wheaton Share will be exchanged for consideration (the 'Consideration') consisting of 0.0934 of a common share in the capital of Franco-Nevada (the 'Exchange Ratio') and cash in the amount of C\$2.08 per Gold Wheaton Share implying a price of approximately C\$5.20 per Gold Wheaton Share based on the closing price of the Franco-Nevada shares on December 10, 2010. On a fully diluted basis, the value of the transaction is over C\$1 billion.

The consideration to be paid by Franco-Nevada represents a premium of approximately 19% over the closing price of the Gold Wheaton Shares on December 10, 2010 (C\$4.38) and a premium of approximately 42% to the 60-day volume-weighted average price (C\$3.67).

'Gold Wheaton has grown from an idea conceived only two and a half years ago, through the period of substantial fiscal crisis into a company that will generate well over C\$110 million in cash flow in 2011. We performed very well over the last year, with the Consideration representing an increase of over 140% from our 52-week low. The combination with Franco-Nevada provides our shareholders with premium value and liquidity for their shareholding in Gold Wheaton and continued exposure to gold in an exceptionally well financed vehicle. The addition of the Gold Wheaton cash flow will position Franco-Nevada as the clear leader in the gold royalty sector.' said David Cohen, Chairman and CEO of Gold Wheaton. 'Additionally, all unlisted Gold Wheaton warrants are in the money at the Consideration, bringing in approximately C\$180 million once exercised.'

Warrants exercisable into Gold Wheaton Shares would remain outstanding and would become exercisable to acquire the Consideration.

Upon closing, Franco-Nevada will assume ownership of Gold Wheaton's gold purchase agreements with [FNX Mining Company Inc.](#), a wholly owned subsidiary of [Quadra FNX Mining Ltd.](#) ('Quadra FNX'), [First Uranium Corporation](#) and Chemwes (Proprietary) Limited and First Uranium Corporation and Ezulwini Mining Company (Proprietary) Limited.

## Summary of the Transaction

The Agreement provides for Gold Wheaton and Franco-Nevada to enter into a definitive Arrangement agreement by 5:00 pm (Toronto time) on January 5, 2011. Closing of the transaction is subject to customary conditions, including approval by the shareholders of Gold Wheaton and the receipt of court and necessary regulatory approvals as well as the receipt by Gold Wheaton of an opinion from its financial advisors that the consideration offered pursuant to the Agreement and the subsequent Arrangement agreement is fair, from a financial point of view, to the holders of Gold Wheaton Shares and receipt of a formal valuation from an independent valuator as required by MI 61-101 - Protection of Minority Security Holders in Special Transactions. The transaction is expected to close in March 2011.

Gold Wheaton has agreed not to solicit alternative proposals and has agreed to pay a break fee in the amount of C\$25 million to Franco-Nevada in certain circumstances if it enters into a superior proposal. Gold Wheaton has also provided Franco-Nevada with certain other customary rights, including a right to match competing offers.

The Arrangement will be subject to, among other things, the favourable vote of 66 2/3% of the holders of the Gold Wheaton Shares as well as a majority of the minority of the holders of the Gold Wheaton Shares, in

each case to be obtained at a special meeting of Gold Wheaton shareholders to be called to approve the Arrangement. Contemporaneous with the signing of the Arrangement Agreement directors and senior officers of Gold Wheaton will enter into voting support arrangements with Franco-Nevada under which they will agree to vote in favour of the Arrangement.

### **Acquisition of Gold Wheaton Shares from Quadra FNX**

Franco-Nevada has also announced today that it has agreed to acquire all of the Gold Wheaton Shares previously owned by Quadra FNX at a price of C\$4.65 per Gold Wheaton Share. Following the acquisition, Franco-Nevada will own 60,353,126 Gold Wheaton Shares representing approximately 36.9% of the outstanding Gold Wheaton Shares. The total consideration paid per purchased share to Quadra FNX will be topped-up with cash such that the total consideration received by Quadra FNX will be equivalent to that received by other shareholders of Gold Wheaton.

### **Advisors and Counsel**

Gold Wheaton's financial advisor is Paradigm Capital Inc. and its legal advisors are Cassels Brock & Blackwell LLP.

### **Conference Call**

Gold Wheaton and Franco-Nevada management will host a conference call on Monday, December 13, 2010 at 11:00am Eastern Standard Time to review the transaction. Interested investors are invited to participate as follows:

Conference Call: Local: 647-427-7450; Toll-Free: 1-888-231-8191; Title: Franco-Nevada Combination with Gold Wheaton.

Conference Call Replay: A recording will be available until December 20, 2010 at the following numbers:

Local: 416-849-0833; Toll-Free: 1-800-642-1687; Pass code: 31857610

### **About Gold Wheaton**

Gold Wheaton is a gold company with 100% of its operating revenue from the sale of gold and precious metals produced by others. The streams include production from Quadra FNX's Sudbury operations and First Uranium Corporation's Mine Waste Solutions and Ezulwini operations.

The Company's shares are listed on the TSX Exchange under the symbol 'GLW' with 163,699,092 shares issued and outstanding.

### **Cautionary Note Regarding Forward-Looking Statements**

*Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995: Except for the statements of historical fact contained herein, the information presented constitutes 'forward-looking statements' within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Gold Wheaton to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other risks, risks related to the integration of acquisitions, risks related to international operations, risks related to joint venture operations, the actual results of current exploration activities, actual results of current reclamation activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined, future prices of gold or uranium, the timing and amount of estimated future production and the costs thereof; capital expenditures; the availability of any additional capital required to bring future projects into production; future prices of commodities; the failure of plant, equipment or processes to operate as anticipated; accidents; labour disputes; delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities; currency fluctuations, as well as those factors discussed in the section entitled 'Description of Business - Risk Factors' in Gold Wheaton's Annual Information Form dated May 11, 2010 as filed on SEDAR. Although Gold Wheaton has attempted to identify important factors that could cause actual results to differ materially, 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.*

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/97255--Franco-Nevada-Corporation-Offers-to-Acquire-All-Shares-of-Gold-Wheaton-Gold-Corp.-in-Friendly-Business-Comb>

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