

Inmet and Lundin Announce Merger of Equals to Create Symterra Corporation Symterra to Become Canada's Newest Senior Copper Producer With Financial Strength and Track Record to Execute Leading Copper-Growth Strategy

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Symterra to Become Canada's Newest Senior Copper Producer With Financial Strength and Track Record to Execute Leading Copper-Growth Strategy

TORONTO, CANADA -- (Marketwire) -- 01/12/11 -- [Inmet Mining Corporation](#) ('Inmet') (TSX: IMN) and [Lundin Mining Corporation](#) ('Lundin') (TSX: LUN) (OMX: LUMI) today announced that they have entered into an arrangement agreement (the 'Arrangement Agreement') to merge, and create Symterra Corporation ('Symterra'), a leading international copper producer. The transaction is valued at approximately C\$9 billion.

Under the terms of the Arrangement Agreement, each Inmet shareholder will receive 3.4918 shares of Symterra, and each Lundin shareholder will receive 0.3333 shares of Symterra for each share held. The number of issued and outstanding shares of each party that will be exchanged for common shares of Symterra at closing is expected to be 61,549,172 for Inmet and 580,745,911 for Lundin. The exchange ratio represents no premium to either party based on the 30 day volume weighted average price (VWAP) on the Toronto Stock Exchange ('TSX') for each of Inmet and Lundin to January 11, 2011.

All dollar figures are in US\$, unless otherwise specified.

MERGER HIGHLIGHTS

- Solid base of low cost, long life mines: Five low-cost, long-life mines located in Europe. Substantial pro forma cash flow generation ensures future growth is financed.
- Two world class copper development projects: With development of Cobre Panama and attributable copper from possible expansions at Tenke Fungurume, Symterra will have the potential to produce over 500,000 tonnes of copper annually(1) by 2017 at costs within the lowest quartile.
- Robust cash flow generation in a company with substantial opening cash: Symterra will have a pro forma cash balance of \$1.3 billion(2), substantial cash flow generation, and no debt.
- Diversified metal production: with the added attraction of exposure to zinc and other base metal markets from existing operations and through the existing asset expansions.
- Shared commitment to corporate responsibility: Both Inmet and Lundin recognize the ability to develop the necessary social license to operate through a commitment to social responsibility and sustainable development as a key to success. The shared values, systems and experience in this area will be a competitive advantage in creating long term value for shareholders.
- Doubling of market capitalization to C\$9 billion: should enhance trading liquidity, supported by listings on both the TSX and the OMX Nordic exchange.
- Complementary management: Inmet and Lundin have respected and successful management teams. This will enable Symterra to select a very strong team with an excellent track record of acquiring, developing and operating mines.

Lukas Lundin, Chairman of Lundin commented 'The long-term fundamentals for copper are compelling. With

solid operating assets and the ability to fund its world class growth projects, Symterra provides one of the best growth profiles for copper amongst major mining companies, combined with attractive exposure to zinc and other metals. I am excited about the value that will be generated for our collective stakeholders.'

Jochen Tilk, President and CEO of Inmet stated 'By merging Lundin and Inmet, we diversify our production base, and significantly strengthen earnings and our capital base, enabling us to grow the business.'

'Symterra will have a series of long-life, low cost mines in favourable mining jurisdictions and two world class growth projects in Cobre Panama and the expanded Tenke Fungurume. The increased critical mass enables us to not only develop our current projects, but also to compete for future opportunities as they arise.

'I am proud to say that, by merging these two great companies, we're up to the challenge of being a leader in the copper business in the next decade,' Mr. Tilk said.

MANAGEMENT TEAM and BOARD OF DIRECTORS

Mr. Lukas Lundin will become non-executive Chairman and Mr. Jochen Tilk will be the President and CEO of Symterra.

The Board will initially comprise ten directors, who are nominated as follows:

Lukas H. Lundin, Chair
Jochen Tilk, President and CEO
David R. Beatty, Vice Chair
Donald Charter
Paul Conibear
Paul E. Gagne
Thomas E. Mara
William A. Rand
Douglas Whitehead
Phil Wright

TRANSACTION SUMMARY

The proposed merger will be effected by way of a Plan of Arrangement completed under the Canada Business Corporations Act. It will feature a common share exchange through which Inmet common shareholders will receive 3.4918 common shares of the merged company for each common share of Inmet they own and each Lundin common shareholder will receive 0.3333 common shares of the merged company for each common share of Lundin they own. The exchange ratio represents no premium to either party based on the 30 day volume weighted average price (VWAP) on the TSX for each of Inmet and Lundin to January 11, 2011.

There is significant overlap between shareholders of Inmet and shareholders of Lundin so that continuing shareholders of both companies represent well in excess of 50% of the merged entity.

Completion of the proposed merger is conditional on approval of Inmet and Lundin shareholders, and satisfaction of other customary approvals including regulatory, stock exchange, and court approvals. The required shareholder approval will be two thirds of the votes cast by each of the holders of Inmet and Lundin common shares at shareholder meetings held to consider the proposed merger. Shareholder meetings for Inmet and Lundin are expected to be held on or about March 14, 2011.

The Arrangement Agreement includes customary reciprocal deal protections. Each party has agreed not to solicit any alternative transactions. Each company has agreed to pay the other a break fee of C\$120 million in certain circumstances. In addition, each company has granted the other a right to match any competing offer.

Both Boards of Directors have determined that the proposed merger is in the best interest of their respective companies based on a number of factors, including fairness opinions received from their financial advisors, and have unanimously approved the terms of the proposed merger and recommend that their respective shareholders vote in favour of the proposed merger.

The largest shareholder of each of Inmet (Leucadia, representing 17.94% of Inmet) and Lundin (Lukas Lundin and Lundin family trusts, representing 12.32% of Lundin) has executed an agreement to vote their shares in favour of the proposed merger subject to customary fiduciary waivers in the case of a superior

offer. The directors of each company have agreed to vote their shares in favour of the merger.

Full details of the proposed transaction will be included in the Arrangement Agreement and joint management information circular to be filed with the regulatory authorities and mailed to Inmet and Lundin shareholders in accordance with applicable securities laws.

ADVISORS AND COUNSEL

Inmet's financial advisors are CIBC World Markets Inc. and Rothschild Inc. and its legal counsel is Torys LLP. CIBC provided an opinion to Inmet's Board of Directors and Dundee Securities Corporation provided an opinion to the Special Committee of Inmet's Board of Directors that, as of the date thereof and subject to the assumptions, limitations and qualifications set out therein, the exchange ratio is fair, from a financial point of view, to the shareholders of Inmet.

Lundin's financial advisor to management is Scotia Capital Inc. and its legal counsel is Cassels Brock and Blackwell LLP. Scotia provided an opinion to Lundin's Board and Haywood Securities Inc. provided an opinion to Lundin's Special Committee of the Board of Directors that, as of the date thereof and subject to the assumptions, limitations and qualifications set out therein, the exchange ratio is fair, from a financial point of view, to the shareholders of Lundin.

CONFERENCE CALL AND WEBCAST

Inmet and Lundin will host a joint conference call and webcast tomorrow, January 13, 2011, at 8:00 am EST, for members of the investment community to discuss the merger. Details are as follows:

Dial-in numbers

+1 416-340-2216, Toll Free (North America) 1-866-226-1792

Replay Access

+1 905-694-9451, Toll Free (North America) 1-800-408-3053

Pass code: # 7608600

Webcasts will be available at <http://events.digitalmedia.telus.com/inmet/011311/index.php> and on both the Inmet and Lundin websites (www.inmetmining.com and www.lundinmining.com) with the presentation to be posted immediately before the webcast. Webcasts will be archived on the websites consistent with company disclosure policy.

FOOTNOTES

(1) Production estimates include Lundin 24% equity interest in Tenke Fungurume, and are based on Lundin forecast expansion; Inmet production estimates assume 80% of Cobre Panama production, as per the Front End Engineering and Design (FEED) study (AMEC Americas Limited, March 2010).

(2) Pro-forma cash based on financial statements dated September 30th, 2010, does not include any assumption of Temasek private placement. Other adjustments were made to reflect publicly disclosed transactions involving Las Cruces, Ok Tedi and the sale of shares in Premier Gold.

ABOUT INMET

Inmet is a Canadian-based global mining company that produces copper, zinc and gold. Inmet has interests in four mining operations in locations around the world: Cayeli, Las Cruces, Pyhasalmi and Ok Tedi. Inmet also has a 100 percent interest in Cobre Panama, a development property in Panama.

ABOUT LUNDIN

Lundin is a diversified base metals mining company with operations in Portugal, Spain and Sweden, producing copper, nickel, lead and zinc. In addition, Lundin holds a development project pipeline which includes expansion projects at its Zinkgruvan and Neves Corvo mines along with its equity stake in the world class Tenke Fungurume copper/cobalt project in the Democratic Republic of Congo.

FORWARD-LOOKING STATEMENT

Securities regulators encourage companies to disclose forward-looking information to help investors understand a company's future prospects. This press release contains forward-looking information. These are 'forward-looking' because we have used what we know and expect today to make a statement about the future. Forward-looking statements usually include words such as may, expect, anticipate, and believe or other similar words. Capital and operating cost estimates, production estimates, and other estimates are forward-looking statements, and are based on assumptions that we believe to be reasonable. However, actual events and results could be substantially different because of the risks and uncertainties associated with our respective business or events that happen after the date of this press release. You should not place undue reliance on forward-looking statements.

Inmet

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President and Chief Executive Officer

Lundin

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