

# Selwyn Announces Definitive Agreement for the Sale of ScoZinc Limited

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COOKS BROOK, NOVA SCOTIA--(Marketwire - Sep 10, 2014) - [Selwyn Resources Ltd.](#) (TSX VENTURE:SWN) ("Selwyn" or the "Company") is pleased to announce that it has entered into a definitive purchase and sale agreement (the "Agreement") with Scotian Zinc Mines Ltd. ("Scotian") providing for the sale of ScoZinc Limited ("ScoZinc"), a wholly-owned subsidiary of Selwyn (the "Transaction"). ScoZinc's assets consist of the ScoZinc Mine and mill in Nova Scotia, and related properties, which are the majority of the Company's assets.

Pursuant to the Agreement, Scotian will purchase all of the shares of ScoZinc from Selwyn for an aggregate purchase price of C\$17,500,000, payable as to C\$10,000,000 in cash upon closing of the Transaction ("Closing") and C\$7,500,000 through a senior secured debt note to be issued on Closing (the "Selwyn Note"), which will be payable in five equal annual instalments of C\$1,500,000 each, together with interest of 8% per annum, with the first instalment starting on December 31, 2015. The Selwyn Note shall be secured *pari passu* with all senior debt of Scotian.

The Agreement contains customary closing conditions, including the approval of not less than 66-2/3% of the votes cast at a special meeting of Selwyn shareholders that is expected to be held in October 2014, as well as applicable regulatory approvals and the satisfaction of certain other closing conditions customary for transactions of this nature. The Agreement provides for, among other things, a non-solicitation covenant on the part of Selwyn, subject to customary "fiduciary out" provisions that permit Selwyn's Board to consider potential, unsolicited alternative proposals, a right in favour of Scotian to match any superior proposal and, in certain circumstances, the payment of a C\$500,000 break fee to Scotian.

A management information circular providing a detailed description of the Transaction will be mailed to shareholders of Selwyn in connection with the special meeting. If approved by Selwyn shareholders and all regulatory approvals and other closing conditions are satisfied or waived, the proposed Transaction is expected to be completed in November 2014.

Following Closing, Selwyn will have no debt and approximately C\$14,000,000 in cash (approximately C\$3.60 per Selwyn common share based on 3.94 million common shares outstanding), in addition to the C\$7,500,000 Selwyn Note from Scotian.

While the Company intends to conduct a full review of its options in anticipation of completion of the Transaction in November 2014, the current intention is to distribute a substantial portion of the cash proceeds from the Transaction to Selwyn shareholders, either in the form of a dividend, return of capital, substantial issuer bid or other method that most efficiently returns cash or creates value for the Company's shareholders.

## About Selwyn

Selwyn is an established Canadian-based zinc and lead exploration and development company that owns the ScoZinc Mine near Halifax, Nova Scotia, that has the necessary approvals to restart operations. Selwyn has a strong working capital position and no debt. Selwyn has 3,941,046 common shares outstanding, which are traded on the TSX Venture Exchange under the symbol "SWN".

## About Scotian

Scotian is a privately held British Columbia corporation created to facilitate the acquisition of ScoZinc and its

mine, mill and related properties in Nova Scotia for the purposes of recommissioning to commence mining operations by the third quarter of 2015. Scotian is led by highly qualified and experienced management and Mr. Glenn Laing is its President and Chief Executive Officer, and major shareholder. Mr. Laing has over 30 years' experience in the mining and financing sectors and is currently the President and Chief Executive Officer of [Phoenix Gold Resources Corp.](#) (TSX VENTURE:PXA) and [Ecuador Gold and Copper Corp.](#) (TSX VENTURE:EGX).

*Neither 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.*

## Forward-Looking Statements

This News Release includes certain "forward-looking statements". All statements other than statements of historical fact included in this release, including without limitation statements regarding the future plans and objectives of Selwyn, are forward-looking statements that involve various risks and uncertainties. These forward-looking statements include, but are not limited to, statements with respect to completion of the Transaction, and other information that is based on forecasts of future operational or financial results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Selwyn's expectations include, among others, risks related to international operations, the actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold and silver, as well as those factors discussed in the section titled "Risk Factors" in Selwyn's Management's Discussion and Analysis for the year ended December 31, 2013. Although Selwyn 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.

## Contact

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