

# Leagold and Brio Shareholders Vote in Favour of Proposed Transaction

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VANCOUVER, April 12, 2018 /CNW/ - [Leagold Mining Corp.](#) (TSX:LMC; OTCQX:LMCNF) ("Leagold" or the "Company") is pleased to announce that shareholders of Leagold have voted in favour of the resolution necessary to give effect to the proposed acquisition of [Brio Gold Inc.](#) ("Brio"). Brio shareholders also voted in favour of the proposed acquisition by Leagold at a special meeting of shareholders held earlier today with 99.99% of the votes cast at the Brio shareholder meeting voting in favour. Brio intends to seek a final order approving the transaction from the Ontario Superior Court of Justice on or about April 17, 2018. Assuming all other customary terms and conditions to the transaction are met and certain Mexican regulatory approvals obtained, the Arrangement is expected to close in May 2018.

"We are very pleased with the overwhelming support for this transaction by Leagold and Brio shareholders," said Neil Woodyer, CEO of Leagold. "The acquisition of Brio advances our strategy to create an intermediate Latin American gold producer. With four operating mines and two development projects in Mexico and Brazil, the combined operations have the potential to produce over 700,000 ounces of gold by 2020; this gives Leagold a strong platform for further growth within Latin America."

Under the terms of the plan of arrangement (the "Arrangement") for each Brio common share issued and outstanding, Leagold will issue 0.922 of a Leagold share (each whole share, a "Leagold Share") and 0.4 of a Leagold share purchase warrant (each whole warrant, a "Leagold Warrant") with each Leagold Warrant entitling the holder to purchase one Leagold Share at a price of C\$3.70 for a period of two years from the date of issue. On closing of the transaction, Brio shareholders will own 42% of Leagold.

## Regulatory Information

Leagold Shares will also be issued in exchange for issued and outstanding restricted stock, restricted share units and deferred share units issued pursuant to Brio's omnibus incentive plan ("Brio Convertible Securities") on the basis of 0.922 of a Leagold Share for each Brio Share underlying a Brio Convertible Security. However in lieu of also issuing 0.4 of a Leagold Warrant for each Brio Share underlying a Brio Convertible Security, holders will be entitled to receive the Black-Scholes value of 0.4 of a Leagold Warrant, calculated at closing of the Arrangement using the parameters described in the Arrangement Agreement, which value is payable in Leagold Shares. Holders of options issued pursuant to Brio's omnibus incentive plan will receive options exercisable for Leagold Shares. Further details of the issuance of Leagold Shares in exchange for outstanding Brio Convertible Securities pursuant to the terms of the Arrangement can be found in the Arrangement Agreement entered into between Leagold and Brio dated February 15, 2018 which is available under Leagold's SEDAR profile at [www.sedar.com](http://www.sedar.com).

While the exact number of Leagold Shares to be issued to holders of the Brio securityholders cannot be determined at this time, assuming a VWAP of C\$2.00, C\$3.0371 and C\$4.00 of the Leagold Shares, an aggregate of approximately 158,297,527, 158,181,341 and 158,132,809 Leagold Shares, respectively, are issuable under the terms of the Arrangement and in satisfaction of certain severance obligations.

On completion of the Arrangement, Yamana Gold is expected to hold approximately 22% of the outstanding shares of Leagold. Assuming no other convertible securities of the Company are exercised, in the event of Yamana's exercise of Leagold Warrants to acquire Leagold Shares, Yamana's interest in Leagold will increase to 29%.

Because (i) Leagold expects to issue up to 160,000,000 Leagold Shares, representing approximately 105% of the current outstanding Leagold Shares, in connection with the transactions contemplated by the Arrangement, being greater than 25% of Leagold's currently issued and outstanding shares; and (ii) the issuance of Leagold Shares and Leagold Warrants to [Yamana Gold Inc.](#) may, according to the rules and

policies of the TSX, materially affect control of Leagold, the rules of the Toronto Stock Exchange ("TSX") required the approval of the same from Leagold's shareholders (the "Leagold Shareholder Approval"), which has been obtained.

The TSX permitted Leagold to rely on subsection 604(d) of the TSX Company Manual to obtain written approval from its shareholders owning or having control or direction over, more than 50% of Leagold's outstanding common shares in order to satisfy the Leagold Shareholder Approval requirement. The Arrangement was negotiated at arm's length and the Company understands that no insiders of the Company hold any outstanding Brio common shares as of the date hereof.

#### About Leagold Mining Corporation

Leagold is building a mid-tier gold producer with a focus on opportunities in Latin America. The Company is based in Vancouver, Canada and owns 100% of the Los Filos mine in Mexico. Leagold is listed on the TSX under the trading symbol "LMC" and trades on the OTCQX market as "LMCNF".

#### Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable securities laws). Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "expect", "believe", "may", "plan", "project", "should", "scheduled", "intend", "objective", "continuous", and "estimate", or similar words suggesting future events, circumstances or outcomes. Forward-looking statements in this news release include anticipated production, AISC and AISC margin of a combined Brio-Leagold entity, diversification benefits, growth upside, potential for expansion in Latin America, anticipated timing of the closing of the Arrangement and conditions to closing the Arrangement.

Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those expressed in the forward-looking statements and information. They include, among others, the failure to obtain regulatory or other approvals or meeting the other conditions in connection with the proposed Arrangement, completing the Arrangement, the actual number of Leagold shares and Leagold warrants to be issued in connection with the Arrangement and those risk factors identified in Leagold's most recent Annual Information Form prepared and filed with securities regulators which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under Leagold's profile.

There are no assurances that Leagold can fulfill forward-looking statements and information. Such forward-looking statements and information are only predictions based on current information available to Leagold's management team; actual events or results may differ materially as a result of risks facing Leagold, some of which are beyond Leagold's control. Although Leagold believes that any forward-looking statements and information contained in this news release are based on reasonable assumptions, readers cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information. The forward-looking statements and forward-looking information are made as of the date hereof and Leagold disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or forward-looking information contained hereof. **Leagold's Investor Relations** at [investorrelations@leagold.com](mailto:investorrelations@leagold.com) or by calling 1-800-452-6111 for further information respecting the risks affecting Leagold and its business.

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