

Karora and Westgold Merger Nears Completion

Westgold Resources (ASX: WGX)

Updated in relation to the proposal to acquire 100% of the issued and outstanding common shares of **Karora Resources Inc.** by way of a court-approved plan of arrangement under the Canada Business Corporations Act.

On 17 July 2024, Westgold received written confirmation from the FIRB that the Australian Government has no objection to the Transaction under the Foreign Acquisitions and Takeovers Act 1975.



WESTGOLD

KARORA
RESOURCES

Westgold and Karora to merge

Creating a +400,000 oz Australian mid-tier gold producer¹

1. Refer to the 'Important Notices and Disclaimers' section for further information.



Karora Resources	TSX: KRR
Stage	Production + Development + Exploration
Metals	Gold + Nickel
Market cap	C\$1.23 Billion @ C\$6.89
Location	Kalgoorlie, Western Australia
Website	karoraresources.com

FIRB Approval Received for Westgold and Karora Transaction

Westgold Resources Limited (ASX: WGX, OTCQX: WGXRF – Westgold or the Company) provides the following update in relation to the proposal to acquire 100% of the issued and outstanding common shares of Karora Resources Inc. (Karora) by way of a court-approved plan of arrangement under the Canada Business Corporations Act (Transaction).

On 17 July 2024, Westgold received written confirmation from the Foreign Investment Review Board (FIRB) that the Australian Commonwealth Government has no objection to the Transaction under the Foreign Acquisitions and Takeovers Act 1975 (Cth).

The FIRB approval condition contained in the definitive Arrangement Agreement between Westgold and Karora in respect of the Transaction has now been satisfied.

Pending approval by Karora shareholders at Karora's upcoming annual general and special meeting of shareholders on 19 July 2024 and final court orders, Westgold targets completion of the Transaction on or about 31 July 2024.

The Transaction has been unanimously approved by the respective boards of directors of Westgold and Karora.

The Karora board of directors (Karora Board) has unanimously determined that the Transaction is in the best interests of Karora and is fair to Karora shareholders.

Accordingly, Westgold's offer to acquire Karora pursuant to the Transaction is unanimously recommended by the Karora Board. All directors and senior officers of Karora entered into agreements with Westgold to vote in favour of the Transaction.

Indicative Timetable

Event / Action Indicative Timing (Toronto)

Karora shareholder Meeting 19 July 2024

Final order court hearing 24 July 2024

Complete Transaction 31 July 2024

This announcement is authorised for release to the ASX by the Board.

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[To View Westgold's historical news, please click here](#)

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[To read the full news release, please click HERE](#)

[The live gold price can be found HERE](#)

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Disclosure

At the time of writing the author holds shares in Karora Resources.

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G Mining Ventures and Reunion Gold Announce Combination

[G Mining Ventures \(TSX: GMIN\)](#)

GMIN and **Reunion Gold Corporation (TSX.V:RGD)** announced they have entered into a definitive agreement to combine the two companies, setting the stage for the creation of a leading intermediate gold producer.



G Mining Ventures	TSX: GMIN
Stage	Development + Exploration
Metals	Gold
Market cap	C\$1 billion @ C\$2.24
Location	Tapajos, Para State, Brazil

[To see the latest G Mining Ventures share price and chart, please click here](#)

G Mining Ventures and Reunion Gold Announce Combination to

Set the Stage for a Leading Intermediate Gold Producer in the Americas

All amounts are in CAD unless stated otherwise

BROSSARD and LONGUEUIL, QC, April 22, 2024 – **G Mining Ventures Corp.** (“GMIN”) (**TSX: GMIN**) (OTCQX: GMINF) and **Reunion Gold Corporation** (“RGD”) (**TSXV:RGD**) (OTCQX:RGDFF) are pleased to announce they have entered into a definitive agreement (the “Agreement”) to combine the two companies, setting the stage for the creation of a leading intermediate gold producer (the “Transaction”).

Through the Transaction, GMIN will acquire RGD’s flagship Oko West Project located in Guyana, within the Guiana Shield region, one of the most attractive mining jurisdictions in South America.

Oko West has emerged as a globally significant gold discovery over the last few years, with excellent potential to become a top tier deposit that could support a large, long-life mine complex to accelerate GMIN’s vision of building a leading intermediate gold producer.

The GMIN team, including through the Gignac Family-owned G Mining Services (“GMS”), has an impressive track-record of executing world-class projects in the Guiana Shield region to generate industry leading returns for its stakeholders.

o Sets the stage for the creation of a leading intermediate gold producer with the addition of Oko West, one of the most significant gold discoveries in the Guiana Shield, to GMIN’s

portfolio

- o Led by GMIN's best-in class management team, ideally positioned to unlock the value of Oko West
- o The GMIN team and GMS have an impressive track-record of executing world-class projects in the Guiana Shield region to generate industry leading returns for its stakeholders
- o De-risked growth profile to accelerate development of Oko West through anticipated TZ cash flow
- o Compelling re-rate potential from multiple near-term catalysts and enhanced capital markets profile
- o Continued support from La Mancha and Franco-Nevada via concurrent US\$50 million equity financing, in addition to La Mancha's intention to purchase up to US\$10 million of GMIN shares in the open market

GMIN plans to move Oko West quickly through technical studies to a construction decision, leveraging the considerable amount of exploration, development, and permitting work that has already been completed by RGD, supported by the expected free cash flow from the Tocantinzinho Gold Project ("Tocantinzinho" or "TZ"), which is trending on schedule and on budget for commercial production in the second half of 2024.

The Transaction sets the stage for the creation of an Americas focused leading intermediate gold producer.

Under the terms of the Agreement, GMIN and RGD shareholders will receive common shares of a newly formed company (the "New GMIN") equivalent to RGD shareholders being issued 0.285 GMIN common shares for each RGD common share.

In addition, RGD shareholders will receive common shares in a newly created gold explorer ("SpinCo") that will hold all of RGD's assets other than Oko West. GMIN has agreed to fund SpinCo with \$15 million.

RGD shareholders will receive estimated consideration of \$0.65 per RGD common share, an estimated transaction equity value of \$875 million, based on the closing price of GMIN common shares on the Toronto Stock Exchange ("TSX") on April 19, 2024, excluding the value of the SpinCo consideration

This represents a premium of 29% based on GMIN's and RGD's closing price and 10-day VWAP on the TSX and TSX Venture Exchange ("TSXV") as at April 19, 2024, respectively, without accounting for value of SpinCo.

Upon completion of the Transaction, existing GMIN and RGD shareholders will own approximately 57% and 43% of the combined company on a fully-diluted in-the-money basis prior to the concurrent US\$50 million equity financing, and the combined company and RGD shareholders will own 19.9% and 80.1%, respectively, of the outstanding common shares of SpinCo.

[To read the full news release, please click HERE](#)

[The live gold price can be found HERE](#)

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Disclosure

At the time of writing the author holds shares in G Mining Ventures

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Karora Announces Merger With Westgold

Karora Resources. (TSX: KRR)

Karora and Westgold Resources Limited (ASX: WGX) have agreed

to combine in a merger pursuant to which Westgold will acquire 100% of the issued and outstanding common shares of Karora by way of a statutory plan of arrangement under the *Canada Business Corporations Act*.



Karora Resources	TSX: KRR
Stage	Production + Development + Exploration
Metals	Gold + Nickel
Market cap	C\$967 million @ C\$5.36
Location	Kalgoorlie, Western Australia

Comment

I find this news incredibly disappointing, Karora was one of my favourite stocks, and I always felt they would become a predator of other projects in Western Australian, rather than allowing themselves to be picked off so easily.

I find the takeout price opportunistic, and I have sold down my holding by over 50% already.

TORONTO, April 7, 2024 /CNW/ – **Karora Resources Inc.** (TSX: KRR) (OTCQX: KRRGF) (“**Karora**”) and **Westgold Resources Limited** (ASX: WGX) (OTCQX: WGXRF) (“**Westgold**”) have agreed to combine in a merger pursuant to which Westgold will acquire 100% of the issued and outstanding common shares of Karora (“Karora Shares”) by way of a statutory plan of arrangement under the *Canada Business Corporations Act* (“CBCA”) (“Transaction”).

Transaction Highlights:

- Karora shareholders will receive 2.5241 Westgold fully paid ordinary shares (“**Westgold Shares**”), A\$0.68 (C\$0.61¹) in cash and 0.30 of a share in a new company to be spun-out from Karora (“**SpinCo**”) for each Karora Share held at the closing of the Transaction (“**Offer Consideration**”). The Offer Consideration represents approximately A\$6.60 (C\$5.90²) per Karora Share based on Westgold’s closing share price on the ASX of A\$2.28 on 5 April 2024.
- SpinCo’s assets will comprise Karora’s existing 22.1% interest in Kali Metals Limited (ASX:KM1) (“**Kali**”), a 1% lithium royalty on certain mining interests held by Kali, the right to receive a deferred consideration payment due to Karora relating to the on-sale of the Dumont asset and A\$6 million (C\$5 million²) in cash. SpinCo will be owned 100% by existing Karora shareholders.
- The Offer Consideration represents a 10.1% premium to Karora’s closing share price on the Toronto Stock Exchange (“**TSX**”) of A\$5.995 (C\$5.360²) on 5 April 2024 and a 25.3% premium to Karora’s and Westgold’s 20-day volume weighed average price (“**VWAP**”) on the TSX of A\$5.552 (C\$4.964²) and on the ASX of A\$2.421 (C\$2.164²) up to and including 5 April 2024.
- Upon completion of the Transaction, Westgold shareholders will own approximately **50.1%** of the combined company (Westgold after completion of the Transaction referred to as “**Enlarged Westgold**”) and former Karora shareholders will own approximately **49.9%**.
- Enlarged Westgold will have a market capitalization of approximately A\$2.2 billion² (C\$1.9 billion²).
- Enlarged Westgold will have a portfolio of assets from

an exclusively Western Australian asset base, a clear pipeline of growth projects and high-quality exploration targets.

- The Enlarged Westgold intends to apply for quotation of its Westgold Shares on the TSX on completion of the Transaction.
- The Transaction has been unanimously approved by the boards of directors of Westgold and Karora, and Karora's board of directors will recommend that the shareholders vote in favour of the Transaction.
- Directors and members of senior management of Karora holding approximately 1.2% of Karora Shares have entered into voting support agreements pursuant to vote their Karora Shares in favour of the Transaction at the meeting of shareholders to be called by Karora to approve the Transaction ("**VSAs**"). In addition, key institutional shareholders with a combined shareholding of approximately 9% including Eric Sprott have signed VSAs or otherwise have indicated they would support the Transaction.
- The Transaction represents a transformational step change in growth for both Westgold and Karora shareholders:
 - Creates a globally investable, mid-tier gold producer operating exclusively in Western Australia with a highly complementary combination of mining and processing assets, people and balance sheet;
 - Top 5 largest, ASX listed Australian gold producer based on the pro forma market capitalization;
 - One of the largest unhedged Australian gold producers on completion of the Transaction providing investors with full exposure to the gold price³;
 - Combined pipeline of advanced organic growth options and exploration targets across Karora's

Beta Hunt and Higginsville properties and Westgold's Murchison and Bryah properties;

- Estimated operating synergies⁴ of A\$209 million (C\$187 million²) and estimated corporate savings⁵ of A\$281 million (C\$251 million²);
- Robust balance sheet with financial resources of circa A\$160 million (C\$143 million²) in cash and liquidity through Westgold's existing corporate revolver facility (subject to requisite consents) and following full repayment of Karora's existing A\$44 million (C\$39 million²) revolving facility to support an accelerated resource development program at the Beta Hunt Fletcher Zone and Bluebird-South Junction;
- Enhanced capital markets profile with increased scale, trading liquidity and quality to be attractive to both gold and generalist investors across ASX, TSX and OTCQX;
- Significant re-rating potential via increased scale and increased index weighting, such as the GDX and GDXJ indices; and
- Combined board of directors comprising experienced mining professionals with a proven track record of maximizing value for shareholders.

Karora Chairman and CEO, Paul Huet commented:

"For the last two years, Karora has watched Mr. Bramwell and the team consistently unlock material value for shareholders at Westgold."

“One of the more unique aspects of this transaction is a very strong cultural fit between both companies which will serve shareholders of the enlarged company well for a very long time.

“The merger is estimated to unlock approximately A\$490 million of operational, G&A and capex synergies while shareholders will become proud owners of the largest unhedged gold producer in Australia at completion of the Transaction – certainly a compelling opportunity in the current gold price environment.

“The team at Karora have worked diligently to execute on our strategy to build the next +200 kozpa Australian gold producer.

“We have delivered value to shareholders through a disciplined growth approach by investing in our cornerstone asset in Beta Hunt, which will be fully ramped up to 2 Mtpa⁷ later this year, our pipeline of projects at Higginsville and through strategic asset acquisitions such as the Lakewood Mill and Spargos Gold Mine to establish the next emerging junior gold producer in the Western Australia gold fields.

“With the combination of Westgold and Karora, we are taking the next step by combining two highly complementary, free cash flow generating asset bases in one of the world’s finest mining jurisdictions to create a premier Western Australian mid-tier gold producer.

“Karora shareholders will benefit from having very meaningful ownership in a larger, more diversified gold producer with a highly experienced management team located entirely in Western Australia.

“The prospects for the combined company are tremendous, with over 3,200km² of combined exploration tenements

in Australia's most prospective gold mining regions coupled with a significantly enhanced balance sheet poised and ready to deploy into a highly compelling combined growth and exploration strategy.

"The combination provides Karora shareholders with significant exposure to one of the largest Australian gold producers with significant potential for an eventual share price re-rate as the operational synergies and enhanced scale of the combined portfolio are realized."

[To read the full news release please click HERE](#)

[Live spot metal prices can be found HERE](#)

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