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ICHOR CORP
Form PRE 14C
January 31, 2001

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14C INFORMATION

Proxy Statement Pursuant to Section 14(c) of the Securities Exchange
Act of 1934
(Amendment No.)

Check the appropriate box:

- Preliminary Information Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))
- Definitive Information Statement

ICHOR CORPORATION
(Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.
 - 1) Title of each class of securities to which transaction applies:
 - 2) Aggregate number of securities to which transaction applies:
 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - 4) Proposed maximum aggregate value of transaction:
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- Fee paid previously with preliminary materials.
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 - 1) Amount Previously Paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
 - 4) Date Filed:

THE REGISTRANT EXPECTS TO RELEASE THE DEFINITIVE INFORMATION STATEMENT
TO SECURITYHOLDERS ON OR ABOUT FEBRUARY 12, 2001

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ICHOR CORPORATION
17 Dame Street

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Dublin 2
Ireland

INFORMATION STATEMENT

This Information Statement is being mailed to the shareholders of record on January 19, 2001 of ICHOR Corporation ("ICHOR"), commencing on or about February , 2001, in connection with the prior approval, on January 19, 2001, by the board of directors (the "Board") of ICHOR, of the corporate action referred to below and its subsequent adoption, also on January 19, 2001, by the holders of a majority of the shares (the "Common Shares") of common stock, \$0.01 par value per share of ICHOR outstanding. Accordingly, all necessary corporate approvals in connection with the matters discussed herein have been obtained, and this Information Statement is furnished solely for the purpose of informing shareholders of ICHOR and including information under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), of the matters discussed herein. For this reason, ICHOR is not calling a special meeting of the shareholders in respect of the corporate action referred to below and is not asking shareholders for a proxy or consent. The total number of Common Shares outstanding on January 19, 2001 was 8,165,830.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU
ARE REQUESTED NOT TO SEND US A PROXY.

ICHOR, as authorized by the necessary approvals of the Board and the holders of a majority of the outstanding Common Shares of ICHOR, has approved the adoption of an amendment (the "Amendment") to the Certificate of Incorporation of ICHOR to increase the authorized number of Common Shares of ICHOR from 30,000,000 to 80,000,000. Specifically, Section 4 of the Certificate of Incorporation of ICHOR will be amended to read as follows:

"4. The total number of shares of all classes of stock which the Corporation shall have authority to issue is Eighty-Five Million (85,000,000) shares, of which Five Million (5,000,000) shares shall be preferred stock, \$.01 par value, and Eighty Million (80,000,000) shares shall be common stock, \$.01 par value. The preferred stock of the Corporation may be issued from time to time in one or more series. The Board of Directors is expressly authorized, in a resolution or resolutions providing for the issue of such preferred stock, to fix, state and express the powers, rights, designations, preferences, qualifications, limitations and restrictions thereof and to fix the number of shares of such series.

Except as otherwise provided by law, the shares of stock of the Corporation, regardless of class, may be issued by the Corporation from time to time in such amounts, for such consideration and for such corporate purposes as the Corporation's Board of Directors may from time to time determine."

The Amendment was adopted to facilitate the issuance of approximately 33,311,398 Common Shares and securities convertible into Common Shares of ICHOR to certain shareholders of Hippocampe S.A. ("Hippocampe") in consideration for the direct and indirect

transfer to ICHOR of approximately 99.9% of the outstanding shares of

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Hippocampe (the "Share Exchange") pursuant to two share exchange agreements (the "Share Exchange Agreements") dated for reference December 13, 2000. The Amendment is scheduled to take place on or about March , 2001, but no earlier than 20 days from the date this Information Statement is first sent to ICHOR's shareholders. ICHOR expects that the Share Exchange will be effectuated shortly following the Amendment. Final closing of the Share Exchange will be publicly announced by ICHOR, and updated information, if any, concerning the Share Exchange will be provided in a Form 8-K to be filed by ICHOR after the closing.

Hippocampe is a privately-held research and development company engaged in fundamental and applied research in the area of human and veterinary biology and medicine, with a particular emphasis on humanitarian aspects (i.e., retroviral pathogenesis, such as AIDS, oncogenesis and transplantation).

The date of this Information Statement is January 31, 2001.

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FORWARD-LOOKING STATEMENTS

Certain statements included in this Information Statement are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this Information Statement and can be identified by words such as "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words. Forward-looking statements are not guarantees and may involve risks and uncertainties. Actual results could differ materially from those expressed or implied in the forward-looking statements. Actual results may differ materially from those expressed or implied in the forward-looking statements. Actual results may differ materially from those expressed in the forward-looking statements due to risks facing operations or due to actual facts differing from the assumptions underlying certain predictions.

EXCHANGE RATES

Certain monetary amounts in this Information Statement are expressed in Euros (E). The following table sets out the exchange rates for the conversion of Euros into U.S. dollars as at the end of each of the following periods, the average exchange rates (based on the average exchange rates on the last day of each month in such periods) and the range of high and low exchange rates for such periods.

	Year Ended December 31,	Nine Months Ended September 30,	
	----- 1999 -----	----- 1999 -----	----- 2000 -----
End of the period	1.0045	1.0665	0.8765

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High for the period	1.1791	1.1791	1.0388
Low for the period	1.0015	1.0124	0.8476
Average for the period	1.0590	1.0720	0.9322

The Euro did not exist prior to January 1, 1999.

On January 19, 2001, the rate of exchange for the conversion of Euros into U.S. dollars was E1 = U.S.\$0.9399.

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Exhibit 1.5 - Credit Facility Agreement dated for reference July 27, 2000 between Hippocampe S.A. and MFC Merchant Bank S.A.	
Exhibit 1.6 - Assignment Agreement dated for reference December 29, 2000 among ICHOR Corporation, Hippocampe S.A. and MFC Merchant Bank S.A.	
Exhibit 1.7 - Annual Report on Form 10-K of ICHOR Corporation for the year ended December 31, 1999	
Exhibit 1.8 - Quarterly Report on Form 10-Q of ICHOR Corporation for the quarterly period ended September 30, 2000	
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SUMMARY

The following is a brief summary of certain information contained elsewhere in this Information Statement. This summary is not intended to be complete and is qualified in its entirety by the more detailed information contained in this Information Statement and in the Exhibits hereto, to which reference is made for a complete statement of the matters discussed below. Capitalized terms used and not defined in this summary have the meaning set forth elsewhere in this Information Statement. You are urged to read this Information Statement and the Exhibits hereto in their entirety.

The Amendment

We have approved the adoption of the Amendment to our Certificate of Incorporation to increase the authorized number of our Common Shares from 30,000,000 to 80,000,000. See "Description of the Amendment".

A copy of the Certificate of Amendment of our Certificate of Incorporation to effect the increase in the authorized number of our Common Shares is attached as Exhibit 1.1.

Approval of the Amendment and the Share Exchange

The Amendment was approved by unanimous written consent of the Board on January 19, 2001. The Amendment was also approved by the written consent of the holders of approximately 88.4% of the outstanding Common Shares on January 19, 2001, pursuant to Section 228 of the Delaware General Corporation Law. Delaware law requires approval of the Amendment by a majority of the outstanding Common Shares. See "Description of the Amendment".

The Share Exchange and the Share Exchange Agreements were approved by the Board and did not require submission to you under Delaware law. See "Description of the Share Exchange - The Share Exchange Agreements".

Purpose of the Amendment

Effective December 13, 2000, we entered into the Share Exchange Agreements to, directly and indirectly, acquire approximately 99.9% of the outstanding shares of Hippocampe in consideration of an aggregate of approximately 33,311,398 of our Common Shares and securities convertible into our Common Shares. The Share Exchange is subject to certain conditions customary for transactions of its nature including, among other things, that we receive shareholder approval to increase our authorized share capital to a level necessary to complete the Share Exchange. We currently have only 30,000,000 authorized Common Shares, of which 8,165,830 are issued and outstanding. Accordingly, the Amendment was adopted to facilitate the issuance to certain shareholders of Hippocampe of our Common Shares and securities convertible into our Common Shares and to satisfy the aforementioned condition of the Share Exchange. See "Description of the Amendment" and "Description of the Share Exchange".

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After giving effect to the Share Exchange, including giving effect to the Common Shares or share purchase warrants to be issued to MFC Merchant Bank S.A. ("MFC Bank"), a licensed Swiss Bank of Geneva, Switzerland, pursuant to certain agreements (the "Bank Agreements") made between Hippocampe and MFC Bank, Hippocampe shareholders will own approximately

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66.3% of our issued and outstanding Common Shares on a diluted basis. See "Description of the Share Exchange".

The Amendment and the Closing of the Share Exchange

We expect to file a Certificate of Amendment of our Certificate of Incorporation to effect the increase in the authorized number of our Common Shares on or about March , 2001, but no earlier than 20 days from the date this Information Statement is first sent to you. See "Description of the Amendment".

We expect that the Share Exchange will be effectuated shortly following the Amendment to increase the authorized number of our Common Shares. See "Description of the Share Exchange".

Share Exchange Parties

We are a corporation organized under the laws of the State of Delaware with an office address at 17 Dame Street, Dublin 2, Ireland (tel.: 3531-679-1688). We are a publicly traded company with our Common Shares quoted on the Over-the-Counter Bulletin Board (the "OTC Bulletin Board") operated by the National Association of Securities Dealers, Inc. See "Description of ICHOR".

Hippocampe is a privately-held corporation organized under the laws of France with an office address at 52, Chanoine Cartellier, F-69230 Saint-Genis-Laval, France (tel.: 334-72-39-52-09). Hippocampe is a research and development company engaged in fundamental and applied research in the area of human and veterinary biology and medicine, with a particular emphasis on humanitarian aspects (i.e., retroviral pathogenesis, such as AIDS, oncogenesis and transplantation). See "Description of Hippocampe".

Related Party Transactions and Interest of Certain Persons in Matters to be Acted Upon

Pursuant to the Bank Agreements and in connection with the provision of a credit facility to Hippocampe, and acting as an advisor in relation to the Share Exchange and other matters, MFC Bank has received and will receive certain fees, including 2,017,854 of our Common Shares to be issued upon the closing of the Share Exchange and share purchase warrants which, upon the closing of the Share Exchange, will entitle MFC Bank to purchase up to approximately 6,730,599 of our Common Shares, subject to final adjustment, for a period expiring on July 31, 2003.

MFC Bank is a wholly-owned subsidiary of MFC Bancorp Ltd., which currently, directly and indirectly, owns approximately 43.7% of our outstanding Common Shares. Michael J. Smith, our Secretary, is the President,

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Chief Executive Officer and a director of MFC Bancorp Ltd. See "Related Party Transactions and Interest of Certain Persons in Matters to be Acted Upon".

Appraisal Rights

You are not entitled to appraisal rights under the Delaware General Corporation Law in connection with the corporate actions referred to in this Information Statement or in connection with the Share Exchange.

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Regulatory Matters

We are not aware of any federal or state regulatory requirements which must be complied with or approvals which must be obtained in connection with the Share Exchange.

Tax and Accounting Treatment of the Share Exchange

The Share Exchange has been structured with the intent that it be tax-free to us and you for federal income tax purposes.

The Share Exchange will be accounted for as a reverse purchase. See "Description of the Share Exchange - Accounting Treatment".

Risk Factors

The Amendment, the Share Exchange, the business of Hippocampe and any investment in our Common Shares are subject to a number of risk factors as set forth in this Information Statement commencing on page 33. See "Risk Factors".

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COMPARATIVE UNAUDITED PER SHARE DATA

The following table sets forth selected comparative unaudited per share data for ICHOR on a historical and pro forma basis, giving effect to the Share Exchange as a reverse purchase, and for Hippocampe on a historical basis. The pro forma comparative unaudited per share data assumes the Share Exchange had been consummated at the beginning of the periods presented. The information set forth below is based on and derived from:

- * the historical financial statements and related notes of ICHOR incorporated by reference in this Information Statement from ICHOR's Annual Report on Form 10-K for the year ended December 31, 1999 and Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000, attached as Exhibits 1.7 and

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1.8, respectively;

- * the historical financial statements and related notes of Hippocampe attached as Exhibit 1.9; and
- * the unaudited pro forma condensed combined financial information and related notes included elsewhere in this Information Statement.

This information should be read in conjunction with such historical financial statements and unaudited pro forma condensed combined financial information and related notes.

The per share data set forth below is presented for comparative purposes only and is not necessarily indicative of the future consolidated financial position, the results of the future operations or the actual results or consolidated financial position of ICHOR as the legal parent of Hippocampe that would have been achieved had the Share Exchange been consummated as of the dates or for the periods indicated.

Hippocampe reports its results in Euros (E). Since the Share Exchange will be accounted for as a reverse purchase, with the continuing entity being Hippocampe, the unaudited pro forma condensed combined financial information below is reported in Euros.

	ICHOR		HIPPOCAMPE
	Historical	Pro Forma Combined	Historical
	(\$)	(E)	(E)
NET BOOK VALUE PER SHARE: (1)			
September 30, 2000	\$ (0.59)	E -	E (59.69)
DIVIDENDS DECLARED PER SHARE: (1)			
Nine months ended September 30, 2000	-	-	-
Year ended December 31, 1999	-	-	-
NET LOSS FROM CONTINUING OPERATIONS PER SHARE: (1)			
Nine months ended September 30, 2000	(0.03)	-	(26.89)
Year ended December 31, 1999	(0.14)	(0.01)	(12.64)