

Trading Symbols:
TSX Venture Exchange: MHI
Frankfurt Xetra: N8Z1/WKN: AODLHP
OTC Market (US): MHIFF

RICHMOND, BC, Dec. 5, 2016 /CNW/ - [Mineral Hill Industries Ltd.](#) ("Mineral Hill" or "Company") – In connection with its substantial acquisition of 45% of the outstanding shares of CPS Energy Resources Plc ("CPS") and its announcement of the "Conditional Acceptance" of the transaction by the TSX Venture Exchange (the "Exchange"), the Company announced on August 18, 2016 that it had received the irrevocable "Right of First Refusal" from an additional two (2) Shareholders of CPS, representing eight percent (8%) of CPS's outstanding shares, which would bring the Company's shareholdings in CPS up to fifty-three percent (53%). In anticipation that the Right of First Refusal may be exercised subsequent to the final approval of the transaction, Mineral Hill had engaged Holborn Capital Limited, London, UK to incorporate a company in the UK under the name of MHI Mass-Energy Financing Plc ("MMF") for the purpose of facilitating a Bond issue to backup all future financings for the OPL 236 project with the objective that MMF would be transferred to Mineral Hill as a 100% owned subsidiary subsequent to the final approval of the present transaction.

MMF entered into discussions with a European-based Financial Services group and has signed an understanding for an eight year USD Zero-coupon bond to net MMF USD 60M (the "Bond") to be completed after closing the proposed private placement. The Bond will include the necessary insurance guarantees which have been confirmed by the insurers. Subsequent to issuance, the Bond is expected to be sold to a small number of European financial institutions, including a well-established European Bank headquartered in Germany, who have purchased previous bonds from the same sources.

The Bond will be issued shortly after the Effective-Date of the Share Purchase Agreement ("SPA"), which has been defined within the SPA as the date three business days after the Issuer has received the final approval from the TSX-V for the transaction ("Final Approval").

As the Bond issue will minimize the Company's dilution and considering the present overall difficulties of raising venture capital for junior companies with initially low trading liquidity, but also due to the desire of some potential investors to see the final approval of the proposed transaction, the Company has decided to reduce the September 13, 2016 announced private placement for up to 6,700,000 securities units (the "Unit(s)") to a maximum of 3,000,000 Units at a price of \$0.30 per Unit in the capital of the Company. All other conditions in respect to the private placement and its Units, including a substantial participation by Insiders, will remain as previously reported.

Since the issuance of the Bond is predicated on the Final Approval and the funds resulting from the Bond will only be available to the Company subsequent to the Final Approval, which entails as its final condition the closing of the private placement funding to provide the Company with sufficient working capital, without the private placement the Company will experience extreme financial hardship and is relying on substantial participation by Insiders in the proposed private placement.

Therefore, certain directors and officers of the Company have committed to acquire up to one third of the private placement. Any such participation would be considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101") and the Company will rely on exemptions from the formal valuation and minority shareholder approval requirements that generally apply to related party transactions under applicable securities laws. There will be a finder's fee payable by the Company to certain non-related parties raising certain portions of the private placement funds.

The securities being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to U.S. persons without registration or applicable exemption from the registration requirement of such Act. This release does not constitute an offer for sale of such securities in the United States of America.

The Company seeks Safe Harbor

Neither the 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.

SOURCE [Mineral Hill Industries Ltd.](#)

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