

Spur Ventures Takes Strategic Decision to Exit China Through Sale of Spur BVI for \$9.25 Million With Potential to Increase to \$14 Million

10.01.2012 | [Marketwired](#)

(All amounts are expressed in Canadian dollars, unless otherwise stated)

VANCOUVER, BRITISH COLUMBIA -- (Marketwire) -- 01/10/12 -- [Spur Ventures Inc.](#) ('Spur' or the 'Company') (TSX: SVU) (OTCBB: SPVEF) announced today that it has entered into a share purchase agreement (the 'Share Purchase Agreement') to sell its wholly-owned subsidiary, Spur Chemicals (BVI) Inc. ('Spur BVI') to Hong Tang Vision Ltd. ('Hong Tang'), a limited liability company registered in the Cayman Islands, for cash consideration of \$9.25 million (the 'Transaction').

The Share Purchase Agreement also provides that, if at any time in the future the relevant Chinese authorities remove YMC's current obligation to produce phosphate fertilizers thus licensing YMC to simply be a phosphate mining company, Spur will receive an additional payment of \$4.75 million from Hong Tang (for total cash proceeds to the Company of \$14 million).

The sale of Spur BVI reflects the Company's strategic decision to exit its operations in China because it is through Spur BVI that the Company indirectly owns an interest in two Chinese joint ventures:

1. Yichang Maple Leaf Chemicals ('YMC') is a 51:49 joint venture between Hubei Yichang Phosphorus Chemical Company Ltd. ('YPCC'), a state owned enterprise of Yichang City, Hubei Province, and Spur BVI, respectively. YMC's main assets are the Shukongping and Dianziping phosphate deposits. YMC is also fully approved to process over 1.2 million tonnes/year of phosphate rock into compound phosphate fertilizers.
2. Yichang Spur Chemicals ('YSC') is a 72:17:11 joint venture between Spur BVI, YPCC and YMC, respectively, whose main asset is a fertilizer production facility in Zicheng Township near Yichang City which has a production capacity of 100,000 tonnes per year of NPK fertilizer and 60,000 tonnes per year of phosphoric acid. YSC has been idled since 2008, but was intended to be merged with YMC to become an integral part of the larger YMC phosphate project.

Under the terms of the Share Purchase Agreement, which includes customary representations and warranties by the Company and Hong Tang, the Company has agreed to sell all of the issued and outstanding shares of Spur BVI to Hong Tang. A US\$9.00 million deposit towards the \$9.25 million purchase price is currently being held in escrow with Hong Tang's lawyers in Vancouver, to be released, together with the additional required funds, to the Company following acceptance for filing of the Share Purchase Agreement by all regulatory authorities (including without limitation the Toronto Stock Exchange (the 'TSX')) and approval of the Company's shareholders, which is expected to be received at a special meeting of the shareholders scheduled for February 7, 2012 (the 'Meeting'). Hong Tang has represented and warranted to the Company that there are, and will be, no approvals from, filings with, or registration with any Chinese regulatory authorities having jurisdiction in order to complete the transactions contemplated by the Share Purchase Agreement.

Shareholder Approval of the Sale of Spur BVI

The Company's shareholders will be asked at the Meeting to authorize and approve the Transaction by way of special resolution (the 'Special Resolution'). Provided the Special Resolution receives the required approval by 66 2/3% of the votes cast at the Meeting, and assuming the other conditions required under the terms of the Share Purchase Agreement have been satisfied or waived as appropriate, the Company expects that the Transaction will close in early February, 2012.

Once the Transaction has closed, the Company will have disposed of, and successfully exited from, its mining and fertilizer business in China and will be able to focus its full resources and all of its treasury on its strategy, originally announced in October, 2008, to acquire advanced development or operating assets in the mineral resource sector. Since 2008, the Company has reviewed several opportunities, but none to date have offered satisfactory risk weighted returns to shareholders on negotiated terms. Furthermore, until the

successful sale of its Chinese interests, Spur has needed to maintain significant cash resources to protect the value of its joint venture rights in China.

Shareholders should be aware that the failure to approve the Transaction will require Spur to invest approximately \$37 million in YMC because of the registered capital requirements. That would require Spur to remit all of its current treasury and to seek to arrange, if possible, more than an additional \$15 million by way of a new financing from the capital markets. Given the challenges the Company has faced as a foreign investor with the complex regulatory and approval system governing the Company's interests in China combined with the negative short term outlook for phosphate fertilisers in Hubei Province, the Board believes such an investment would be very high risk and, in the Company's view, unlikely to generate satisfactory returns to shareholders.

Furthermore, in the absence of a sale of Spur's Chinese interests through the Transaction, failure to meet the required registered capital contribution to YMC in the immediate term would likely place YMC in default of its obligations under the joint venture terms and with the various regulatory requirements in China. Such an outcome would place considerable doubt over the value of the Company's interests in YMC and YSC.

Upon closing of the Transaction, the Company will have sold substantially all of its current mineral assets. As a result, the Company will be required to meet the original listing requirements of the TSX shortly after the closing of the Transaction in order to remain listed. The Company continues to review and to evaluate opportunities to acquire new eligible mining interests to maintain its TSX listing. However, should the Company not identify such an opportunity and the Spur Board of Directors decide it is not prudent to rush a transaction in order to meet the TSX's original listing requirements, the Company may consider an application to the TSX Venture Exchange ('TSX-V') in an effort to ensure continued and seamless trading liquidity for the Company's shareholders as the Company fulfills its business strategy.

Whether the Company remains listed on the TSX or elects to seek an alternate listing on the TSX-V, it is expected that the Company's common shares will continue to trade on the over the counter market in the United States under the symbol 'SPVEF' and trading is expected to remain uninterrupted on that market.

Board View

It is the unanimous opinion of the board of directors of the Company that the sale of Spur BVI is in the best interests of the Company, and the board encourages shareholders to vote 'FOR' the Special Resolution.

The increasingly challenging business environment for foreign investors in the natural resource sector in China, the recent negative publicity in the western capital markets for other companies conducting business in China, as well as the significant over-capacity of phosphate fertilizers in China in the near term were all factors in Spur's decision to divest of its investment in Spur BVI.

Assuming completion of the Transaction, by the end of the first quarter of 2012, Spur will have no further assets or liabilities in China. Spur expects to recognize an accounting gain of approximately US \$3.5 million on completion of the transaction.

Spur to Be in Stronger Position to Seek New Opportunities

Spur's decision to exit China represents a key milestone in implementing the Company's previously-announced strategy to focus on acquiring interests in mineral projects in lower risk jurisdictions and in businesses where Spur's skills and knowledge could enhance the success of the venture.

Steven Dean, Chairman of Spur noted: 'With the \$9.25 million proceeds from the sale of Spur BVI, the Company will have approximately \$30 million (or approximately \$0.50 per share) in cash or cash equivalents, all held in Canadian financial institutions, to invest in executing the business strategy announced in October, 2008. The Company is committed to maximizing shareholder value by putting its capital to work. The successful sale of our Chinese interests will clear the slate of any contingent liability to allocate our capital in China to protect our rights there, and clears the path to fully embracing our current business plan. We believe the current volatile capital markets combined with the strong underlying fundamentals of certain mineral commodities, will provide Spur the long awaited capacity to get back on track to generate real returns to shareholders.'

This news release contains 'forward-looking statements'. Forward-looking statements include, but are not limited to, statements with respect to the plans for completion of the disposition of all or substantially all of the Company's undertaking, future plans and objectives of the Company, estimation of mineral resources,

the timing and content of upcoming programs, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as 'plans', 'expects' or 'does not expect', 'is expected', 'budget', 'scheduled', 'estimates', 'forecasts', 'intends', 'anticipates' or 'does not anticipate', or 'believes', or variations of such words and phrases or statements that certain actions, events or results 'may', 'could', 'would', 'might' or 'will be taken', 'occur' or 'be achieved'. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, delays in obtaining regulatory approvals on acceptable terms; delays in obtaining shareholder approval; risks related to international operations; actual results of planned expansion activities; changes in project parameters as plans continue to be refined; future prices of resources; exchange rates for Canadian, U.S. and Chinese currencies; possible variations in grade or recovery rates, accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; Chinese government policies on fertilizer and agriculture; general economic, market or business conditions as well as those factors discussed under 'Description of the Business - Risk

Factors' in the Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking 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. The Company undertakes no obligation to update or revise any forward-looking statements or information made in this press release, except as required under applicable securities legislation.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Contacts:

[Spur Ventures Inc.](#)

Dr. Robert Rennie

rrennie@spur-ventures.com

Spur Ventures Inc.

Irfan Shariff

(604) 689-5564

ishariff@spur-ventures.com

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/117402--Spur-Ventures-Takes-Strategic-Decision-to-Exit-China-Through-Sale-of-Spur-BVI-for-9.25-Million-With-Potential-to>

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