

Albion Petroleum Ltd. Signs Arrangement Agreement for Qualifying Transaction

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CALGARY, July 4, 2014 - Further to a press release date June 16, 2014, [Albion Petroleum Ltd.](#) ("Albion") (TSX VENTURE:ABP.H), a capital pool company on the NEX board of the TSX Venture Exchange Inc. (the "TSXV") announces that it has entered into an arrangement agreement dated July 1, 2014 (the "Arrangement Agreement"), with [Sundance Minerals Ltd.](#) ("Sundance"). Immediately prior to the execution of the Arrangement Agreement, Sundance: (i) purchased all of the issued and outstanding securities of Minera Terra Plata, S.A. de C.V. ("Terra Plata"), an indirect wholly owned subsidiary of [First Majestic Silver Corp.](#) ("First Majestic") and 0924682 B.C. Ltd. ("NumberCo") (collectively, the "Sundance Acquisitions"); and (ii) completed a private placement for aggregate proceeds of \$400,000 at a price of \$0.15 per common share of Sundance (the "Sundance Private Placement"). In addition, Sundance has received subscriptions for a further 831,666 common shares of Sundance ("Sundance Shares") at a price of \$0.15 per share for further aggregate proceeds of \$124,750. The Qualifying Transaction (as defined below) of Albion remains subject to Court, TSXV and regulatory approval, as well as the approval of Sundance shareholders.

About Sundance and the Qualifying Property

Sundance is a company incorporated pursuant to the Canada Business Corporations Act. Subsequent to the Sundance Acquisitions and the Sundance Private Placement, Sundance has 44,985,398 Sundance Shares issued and outstanding (not including the additional 831,666 Sundance Shares referred to above).

Sundance is an exploration company currently focusing on projects in Mexico and the United States. Subsequent to the Sundance Acquisitions, Sundance has a portfolio of 18 properties in Mexico and one in Nevada. The Qualifying Property (as defined in the policies of the TSXV) for the Qualifying Transaction will be the Miranda Gold Property, in Sonora State, Northern Mexico (the "Miranda Property"). For further information on the Miranda Property, Sundance's other properties and the properties of Terra Plata and NumberCo acquired pursuant to the Sundance Acquisitions, please see Albion's news release dated June 16, 2014.

The Qualifying Transaction, the Arrangement and the Arrangement Agreement

Pursuant to the Arrangement Agreement, Albion will acquire Sundance by way of a plan of arrangement (the "Arrangement") under the Canada Business Corporations Act. In addition, immediately prior to the Arrangement, subject to Albion shareholder approval, Albion will complete a consolidation of Albion Shares (the "Consolidation") on the basis of one (1) post-consolidation Albion Share ("Resulting Issuer Shares") for each four (4) Albion Shares issued and outstanding immediately prior to the Consolidation. In addition, in conjunction with the Arrangement, subject to Albion shareholder approval, Albion will continue under the British Columbia Business Corporations Act (the "Continuation") and change its name to First Mining Finance Corp. (the "Name Change"). The Arrangement, the Consolidation, the Continuation and the Name Change are expected to constitute Albion's qualifying transaction (the "Qualifying Transaction") as such term is defined in the policies of the TSXV. The Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction as such term is defined under the policies of the TSXV.

Pursuant to the Arrangement, Albion will issue Resulting Issuer Shares to Sundance shareholders in exchange for all of the issued and outstanding Sundance Shares and common share purchase warrants to holders of Sundance common share purchase warrants ("Replacement Warrants") and all options to purchase Sundance Shares will be cancelled. Pursuant to the Arrangement Agreement, it is a condition to closing that all of the issued and outstanding Albion options to purchase Resulting Issuer Shares will be exercised or surrendered for cancellation. The exchange ratio for the exchange of Sundance Shares for Resulting Issuer Shares will be determined dividing the "Sundance Value" by the "Albion Value". Pursuant to the Arrangement Agreement, Albion has been valued at \$800,000, and the "Albion Value" will be obtained by dividing \$800,000 by the number of Resulting Issuer Shares held by Albion shareholders immediately prior to the Arrangement and after giving effect to the Consolidation. In addition, Sundance has been valued at \$10,900,000 plus: (i) the gross proceeds of any financing completed prior to the Arrangement; plus (ii) the value of any outstanding debt of Sundance settled in exchange for Sundance Shares prior to the Arrangement, and the "Sundance Value" will be obtained by dividing this amount by the number of Sundance

Shares issued and outstanding immediately prior to the Arrangement. Further information in respect of future financings and debt settlements will be provided once further information becomes available.

Pursuant to the Arrangement Agreement, the obligations of the parties to complete the Qualifying Transaction is subject to the satisfaction of conditions precedent set forth in the Arrangement Agreement including, but not limited to: (i) the receipt of all third party consents, necessary regulatory and TSXV approvals, Sundance shareholder approval for the Arrangement, Albion shareholder approval for the Consolidation, Continuation and the Name Change, and obtaining the interim order and final order for the Arrangement; (ii) the absence of any material breach of the representations, warranties and covenants made by each party to the other; (iii) the absence of any material adverse change for either of the parties; (iv) the options to purchase Albion Shares shall have been cancelled; and (v) other conditions which are customary for a transaction such as the Qualifying Transaction.

The Arrangement Agreement includes customary covenants for transaction such as the Qualifying Transaction, including covenants to operate the businesses of the parties in the ordinary course of business and maintain the mineral rights in respect of the properties in good standing and covenants for the parties to support the Qualifying Transaction. The Arrangement Agreement also includes covenants to settle Sundance debt in cash or by the issuance of Sundance Shares. The Arrangement Agreement also includes a covenant that all outstanding amounts owed to First Majestic (US\$500,000) and all other out-of-pocket expenses incurred by First Majestic in connection with the Arrangement, shall be re-paid by Albion to First Majestic in cash on the Effective Date.

A copy of the Arrangement Agreement will be filed under Albion's SEDAR Profile at www.sedar.com.

The Sundance Meeting and the Albion Meeting

It is anticipated that the Sundance securityholder meeting to approve the Arrangement will be held prior to October 30, 2014 (the "Sundance Meeting") and that the Albion shareholder meeting to approve the Consolidation, Continuance and Name Change will be held prior to September 19, 2013 (the "Albion Meeting"). The approval of the Arrangement by Sundance will require the approval of at least 66 2/3% of the votes cast in person or by proxy of the Sundance shareholder, warrant holders and option holders (the "Sundance Securityholders"), voting as a single class, at the Sundance Meeting. The approval of the Consolidation, Continuance and the Name Change by Albion will require the approval of at least 66 2/3% of the votes cast in person or by proxy of the Albion shareholders at the Albion Meeting.

Board of Directors and Management

The parties have agreed that upon completion of the Qualifying Transaction, the directors of the resulting issuer (the "Resulting Issuer") will be Keith Neumeyer (Chairman), Raymond Polman, Ramon Davila, Chris Osterman, Raul Diaz and David Shaw. For further information on the above directors, please see the June 16, 2014 news release.

Sponsorship

Sponsorship of the Qualifying Transaction is required pursuant to TSXV Policy 2.2 unless an exemption is obtained by Albion. Albion intends to apply for an exemption to sponsorship. There is no guarantee that an exemption will be granted by the TSXV. In the event sponsorship of the Qualifying Transaction is required, information concerning same will be disclosed in a subsequent press release.

Other Information In relation to the Qualifying Transaction

David Shaw, the President, Chief Executive Officer and a director of Albion, is also a director of First Majestic. To the knowledge of Albion, no other directors or officers of Albion are related parties to First Majestic, Sundance, NumberCo or Terra Plata.

The parties intend that as a further condition to closing of the Qualifying Transaction, the Resulting Issuer will enter into an agreement with First Majestic granting it a right of first refusal in respect of any proposed sale by the Resulting Issuer of its silver properties ("Silver Properties") following the completion of the Qualifying Transaction (the "ROFR Agreement"). Albion shall provide additional information with respect to the ROFR Agreement in a subsequent news release.

Trading Halt

Trading in Albion's common shares on the NEX board of TSXV is halted and will remain so until the documentation required by the TSXV in relation to the Qualifying Transaction has been reviewed and accepted by the TSXV.

Subject to satisfaction or waiver of the conditions precedent discussed in this press release and in the Arrangement Agreement, it is anticipated that the completion of the Qualifying Transaction will be completed as soon as possible after all approvals are obtained, and in any event, prior to December 31, 2014.

Other Information

Completion of the Qualifying Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the Qualifying Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Qualifying Transaction and has neither approved nor disapproved the contents of this press release.

All information contained in this press release with respect to the parties was supplied by each of the parties for inclusion herein. Albion and its directors and officers have relied exclusively on Sundance for any information concerning same.

Forward-Looking Information: This press release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this press release contains forward-looking information in relation to the Qualifying Transaction of Albion including the completion of the Qualifying Transaction itself, the properties which will be acquired pursuant to the Qualifying Transaction, the negotiation and execution of the ROFR Agreement, potential private placement financings conducted in conjunction with the Qualifying Transaction and the timing for such financings, timing for the Sundance Meeting and Albion Meeting and timing for completion of the Qualifying Transaction. This forward-looking information reflects Albion's current beliefs and is based on information currently available to Albion and on assumptions Albion believes are reasonable.

These assumptions include, but are not limited to: the satisfactory fulfilment of all terms and conditions contained in any of the Arrangement Agreement; the receipt of all required approvals including regulatory, TSXV, Court and shareholder approvals; the terms of the ROFR Agreement; market acceptance of the any financings conducted in respect of the Qualifying Transaction; and successful completion of any financings conducted in respect of the Qualifying Transaction. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Albion to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities, mining securities and junior market securities; commodity prices; delay or failure to receive board or regulatory approvals; the actual results of future exploration operations; natural resource company market conditions and the market conditions of the natural resource industry in general; competition; changes in legislation, including environmental legislation, affecting Albion; timing and availability of external financing on acceptable terms. Although Albion has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. The forward-looking statements contained in this press release represent the expectations of Albion as of the date of this press release and, accordingly, are subject to change after such date. However, Albion expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

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Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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