

MBAC Fertilizer Corporation: Announces Non-Brokered Private Placement

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TORONTO, Nov 22, 2016 - [MBAC Fertilizer Corp.](#) (TSX VENTURE:MBC) (MBAC or the Company) is pleased to announce a non-brokered private placement (the Private Placement) to Zaff LLC (Zaff) of 5,374,800 shares of the Company (the Shares) at an offering price of \$2.50 per Share, for aggregate proceeds of \$13,437,000. The net proceeds of the Private Placement shall be used primarily for the re-commissioning and ramp-up of the Company's Itafós Arraias SSP Operations and working capital purposes. Completion of the Private Placement is subject to the approval of the TSX Venture Exchange (the TSXV). Closing of the Private Placement is anticipated to occur on or about November 28, 2016.

As Zaff is an insider of the Company, the Private Placement constitutes a related party transaction under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Investments* (MI 61-101) and TSXV Policy 5.9. The Company is relying on the formal valuation exemption in section 5.5(a) of MI 61-101 and the minority approval exemption in section 5.7(a) of MI 61-101 on the basis that neither the fair market value of the Shares to be distributed nor the consideration to be received for the Shares exceeds 25% of the Company's market capitalization.

Mr. Brent de Jong, a director of MBAC, is a related party of Zaff and, as such, declared his interest to the board of directors of the Company in connection with the Private Placement. The directors reviewed the Private Placement and concluded that it is in the best interests of the Company. The Company did not file a material change report at least 21 days prior to the anticipated date of completion of the Private Placement due to the Company's determination that it is in the best interests of the Company to avail itself of the proceeds and complete the Private Placement in an expeditious manner.

Zaff currently beneficially owns, or controls or directs, directly or indirectly 50,198,869 Shares, representing 96.25% of the issued and outstanding Shares (on an undiluted basis) as of the date hereof. Upon completion of the Private Placement, Zaff would beneficially own, or control or direct, directly or indirectly 55,573,669 Shares, representing 96.60% of the issued and outstanding Shares (on an undiluted basis).

The Shares have not been and will not be registered under the United States Securities Act of 1993, as amended (the U.S. Securities Act), or any state securities laws and may not be offered or sold unless an exemption from registration is available. The Shares will be issued on a private placement basis pursuant to an exemption from registration provided by Regulation D under the U.S. Securities Act.

All Shares issued under the Private Placement shall be subject to a hold period of four months and one day from the date of issuance of the Shares pursuant to the policies of the TSXV.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements related to activities, events or developments that the Company expects or anticipates will or may occur in the future, including, without limitation, statements related to the closing of the Private Placement and the Company's use of proceeds of the Private Placement. Forward looking statements are based on a number of factors and assumptions made by management and considered reasonable at the time such statements are made, and forward-looking statements involve known and unknown risks, uncertainties and other factors may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such risk factors include but are not limited to, the Company not obtaining the approval of the TSXV for the Private Placement; the Company not completing the Private Placement; and those factors disclosed in the Company's current Annual Information Form and Management's Discussion and Analysis, as well as other public disclosure documents, available on SEDAR at www.sedar.com. Although MBAC 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. The forward looking statements contained herein are presented for the purposes of assisting investors in understanding the Company's plans, objectives and goals and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance

on forward-looking statements.

About MBAC

MBAC is focused on becoming a significant integrated producer of phosphate based fertilizers and related products. MBAC has an experienced team with significant experience in the business of fertilizer operations, management, marketing and finance. MBAC owns and operates the Itafós Arraias SSP Operations, which consists of an integrated fertilizer producing facility comprised of a phosphate mine, a mill, a beneficiation plant, a sulphuric acid plant, an SSP plant and a granulation plant and related infrastructure located in central Brazil. MBAC's exploration portfolio includes a number of additional projects in Brazil, including the Santana Project, a high-grade phosphate deposit located in close proximity to the largest fertilizer market of Mato Grosso State and animal feed market of Pará State, and the Araxá Project, a high-grade rare earth elements, niobium and phosphate deposit located in close proximity to two operating mines, therefore benefiting from existing local infrastructure. In addition, MBAC owns an approximate 31.3% indirect interest in [GB Minerals Ltd.](#), which owns the Farim Project, a high-grade phosphate deposit located in Guinea Bissau, and an approximate 36.5% indirect interest in [Stonegate Agricom Ltd.](#), which owns the Paris Hills Project, a high-grade phosphate deposit located in Idaho, United States of America, and the Mantaro Project, a high-grade phosphate deposit located in Peru.

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

Contact

[MBAC Fertilizer Corp.](#)

Cristiano Melcher, Chief Executive Officer
investor@mbacfert.com
www.mbacfert.com

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