

# True North Gems Inc. Corporate Update

18.05.2017 | [Marketwired](#)

VANCOUVER, May 18, 2017 - [True North Gems Inc.](#) (TSX VENTURE:TGX) ("True North" "TGX" or the "Company") provided today, an update on the bankruptcy proceedings involving True North Gems Greenland A/S ("TNGG"), the Company's operating subsidiary in Greenland, with assets including the Aappaluttoq Ruby and Pink Sapphire deposit and mine in S.W Greenland. The Company also announced the engagement Danish counsel, Skau Reipurth & Partners, to represent the Company in this process.

Update on the Bankruptcy Process:

TGX management believes the bankruptcy process managed by court-appointed Trustees and supported by the Greenland government was biased, unnecessarily expedited and potentially negligent. In reaction to these concerns the Company has formed a Special Committee to investigate the process, and the decisions and actions of the Trustees and the Greenland government, to determine if legal action is appropriate.

To adequately defend the interests of shareholders, the Company has engaged Danish counsel Skau Reipurth & Partners to address the bankruptcy Trustees with respect to the TGX's concerns and to formally solicit responses to unanswered questions posed by the Company's Board of Directors.

*TGX specific concerns are:*

- *Conflict of interest* of the court-appointed Trustees who have business relationships with LNSG, LNS and the Greenland government;
- *Lack of transparency* with respect to the bidding process and the criteria upon which the decision to accept the bid of LNSG was made, without consultation with the key creditors;
- *Negligence* of the Trustees in not fulfilling their duties to act in the best interest creditors by expediting the bankruptcy process and not allowing a fair market to develop for TNGG's assets; and
- *A priori determination of the outcome* of the bankruptcy process.

These concerns, and others, have been presented to the Trustees; however, no sufficient response to the Company's requests for information have been provided to date. While the Trustees have not responded to TGX's requests for additional information, the bankruptcy process has advanced sufficiently to allow the government of Greenland to transfer the assets of TNGG to LNSG, and operations at the Aappaluttoq mine site to be re-established. The Trustees have not provided the Company any opportunity to review the decision of the Trustees, and neither has the impact of this decision on the Company, as TNGG's largest creditor, been addressed.

*Chronology of Events:*

- On August 30, 2016: The shareholders of TNGG voted to initiate voluntary bankruptcy to protect the assets of TNGG and allow a transparent and fair bankruptcy process to go forward, in the best interests of all stakeholders and creditors.
- September 4, 2016: The Court of Greenland was notified of the TNGG's request for bankruptcy protection and appointed Trustees.
- On September 7, 2016: TGX announced TNGG shareholders collectively agreed to initiate voluntary bankruptcy proceedings under the Bankruptcy Act in Greenland. At that time, the Company was advised all bids to acquire the assets of TNGG needed to be submitted by September 18, 2016.
- On September 11 2016: Trustees advised TGX all bids to acquire the assets of TNGG be submitted no later than September 14, 2016, justifying the expedited process on the basis "*it is in everyone's interest to secure that the final buyer can commence work as soon as possible and before the winter sets in*".
- On September 14, 2016: TGX submitted a bid to acquire the assets of TNGG, while at the same time protesting the expedited process was unjustified and not conducive to maximizing value for existing creditors.

- On September 15, 2016: TGX became aware of media reports indicating the bankruptcy estate had reviewed and considered the binding offers received and entered into a business transfer agreement with the successful bidder.
- On October 5, 2016: TGX was advised the Greenlandic authorities published their consent to the transfer of the exploitation and exploration licenses to LNSGG.

As of the date of the decision to enter voluntary bankruptcy, TGX owned 76% of the outstanding shares of TNGG, LNS Denmark APS (together with its affiliates, the "LNS Group") owned 17% of the outstanding shares of TNGG, and Greenland Venture A/S ("Greenland Venture") owned 7% of the outstanding shares of TNGG.

TGX was also the senior creditor of TNGG.

The Special Committee:

The Special Committee of the Board of Directors has been created to provide oversight of the Greenland bankruptcy process and allow TGX's management and Board of Directors to discharge its duty of care and render informed decisions, in the best interest of our shareholders.

While intended to protect TNGG's assets from foreclosure by the government of Greenland, and allow the TNGG's shareholders and partners the opportunity to address short falls in capitalization issues, the decision to initiate the voluntary bankruptcy instead triggered an expedited process which ultimately resulted in the Aappaluttoq exploitation license being withdrawn from jointly-owned TNGG and a 100% interest in the license awarded to LNSG, within ten-days of the process being initiated.

TGX's Board of Directors and management are of the opinion the Company and its shareholders have been unfairly treated through a biased and expedited legal process that has resulted in the destruction of TGX shareholder value. The Company's concerns are related to potential conflicts of interest with the court-appointed Trustees and the expedited process that limited competitive bidding from third parties, failed to allow True North, or any other third party, sufficient time to develop a comprehensive bid, and worked contrary to the best interests of certain TNGG creditors, specifically TGX and its shareholders.

It is also True North's position that requests for additional information and clarification should be addressed by the Trustees and the courts of Greenland prior to concluding what TGX believes is a flawed process that has failed to deliver on the mandate of the Trustees and produce results in the best interests of the shareholders and the major creditors of TNGG.

While the Company respects the laws of Greenland, and is fully willing to participate in a fair, transparent and unbiased process, True North management and the Board of Directors do not intend to comply with any demand from the Trustees that would indicate the acceptance of the decision to grant the assets to LNSG until such time as full disclosure of the bankruptcy process and answers to questions sufficient to allow the Company to disclose the complete details of the events and outcomes to our shareholders and the public markets, have been provided.

True North will provide further updates as information becomes available.

*Andrew Lee Smith, Interim CEO*

On behalf of the Board of Directors of [True North Gems Inc.](#)

*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.*

*This document contains "forward-looking information" and "forward-looking statements" (together, "forward-looking statements") within the meaning of applicable securities legislation, which are made as of*

*the date of this document or the document(s) referred to herein. Statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements include, without limitation, statements with respect to: the amount of mineral reserves and mineral resources; the amount of future production over any period; net present value and internal rates of return of the proposed mining operation; capital costs; operating costs; strip ratios and mining rates; and mine life.*

*The forward-looking statements are made based upon certain assumptions which, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by the forward-looking statements. These assumptions include, without limitation: the price of gemstone products produced; anticipated costs; the presence of and continuity of gemstones at modeled grades and values; the capacities of various machinery and equipment; the availability of personnel, machinery and equipment at estimated prices; exchange rates; appropriate discount rates; tax rates applicable to the proposed mining operation; financing structure and costs; anticipated mining losses and dilution; gemstone recovery rates; reasonable contingency requirements; and receipt of regulatory approvals on acceptable terms. By their very nature, forward-looking statements involve inherent risks and uncertainties that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements. These include, without limitation: price volatility, discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries, mining operational and development risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of gemstone exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees; additional funding requirements and defective title to mineral claims or property]. This list is not exhaustive. See also, for example, the risks disclosed in the Company's other disclosure documents filed at [www.sedar.com](http://www.sedar.com), including, without limitation, those disclosed in the Company's management's discussion & analysis. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, except as otherwise required by applicable securities legislation.*

*The comments above are provided Without Prejudice.*

## Contact

[True North Gems Inc.](http://www.truenorthgems.com)

[speccom@truenorthgems.com](mailto:speccom@truenorthgems.com)

[www.truenorthgems.com](http://www.truenorthgems.com)

---

Dieser Artikel stammt von [Rohstoff-Welt.de](http://Rohstoff-Welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/266741--True-North-Gems-Inc.-Corporate-Update.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

---

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!  
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).