

West High Yield Clarifies Agreement to Sell Mining Assets

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CALGARY, Alberta, Nov. 03, 2017 (GLOBE NEWSWIRE) -- On October 5, 2017, [West High Yield \(W.H.Y.\) Resources Ltd.](#) (the "Company") (TSXV:WHY) announced that it had signed a definitive arm's length purchase and sale agreement (the "Agreement") to sell 100% of its right, title and interest in its Record Ridge South, Midnight and O.K. mineral properties (the "Assets") to Gryphon Enterprises, LLC (the "Purchaser"), a limited liability company based in Maryland, USA, for a purchase price of US\$750 million in cash. The Agreement provides that the Assets will be transferred by the Company to its wholly-owned subsidiary, and at closing all of the shares of the subsidiary will be transferred by the Company to the Purchaser. The Agreement is available for review under the Company's profile on SEDAR at www.sedar.com.

This press release provides further details concerning the transaction contemplated by the Agreement.

Take-or-Pay Agreements

As stated in the Company's October 5, 2017 press release, the proposed transaction is subject to a number of conditions, including the Company having entered into before the closing of the transaction investment grade take-or-pay agreements in the form and on terms and conditions acceptable to the Purchaser, acting reasonably. Investors are cautioned that none of the terms of the take-or-pay agreements have been determined or agreed to by the Company and the Purchaser, including terms relating to product volumes, quality metrics, dates, dollar values, pricing requirements or purchaser credit requirements.

In addition, the Company and the Purchaser have not yet determined how the resulting contractual obligations and future commitments with respect to any take-or-pay agreements will be settled between the Company and Purchaser, or how any liabilities will be settled if the Assets fail to produce sufficient quantities and grade of materials in the time required to satisfy any commitments under any take-or-pay agreements that may be negotiated, which may result in the possibility of ongoing liability to the Company. To date, no take-or-pay agreements in a form acceptable to the Purchaser have been negotiated. If such agreements are not negotiated, the transaction contemplated in the Agreement will not proceed.

The Purchaser Has Not Obtained Financing

The Purchaser is a private limited liability company, formed under the laws of Oklahoma, U.S.A., for the purpose of acquiring the Assets. Stephen D. Cummins presently controls the Purchaser and serves as Managing Member of the Purchaser. Mr. Cummins has over 33 years of business experience and is known to principals of the Company.

Mr. Cummins has engaged a company (the "Arranger") for the purposes of completing the proposed transaction, as well as development of the mining and processing operations moving forward. In connection with the transaction, the Arranger executed a non-binding financing proposal letter, which financing would be used to satisfy the entire purchase price to be paid by the Purchaser under the Agreement and subsequent engineering, procurement, and construction of improvements of the Assets.

The Arranger analyzes and sources funding, but does not itself finance transactions, and is not a major bank/investment firm, or registered vehicle and has no firm commitments or arrangements to fund the transaction. The Purchaser has not obtained a commitment to finance the acquisition of the Assets from the Arranger or from any other source. There is substantial risk that the Purchaser may not be able to obtain financing necessary to complete the proposed transaction. The Purchaser does not have the financial resources to complete the proposed transaction contemplated in the Agreement without third party funding.

If any of the Arranger's and/or lender's conditions to financing cannot be satisfied, or if the financing cannot be otherwise obtained, the proposed transaction may not be completed in accordance with the terms of the Agreement, or at all.

As the Purchaser was formed for the purpose of acquiring the Assets, except for any deposit that may be paid by the Purchaser, the Company will have no practical recourse against the Purchaser in the event that the conditions in the Agreement are satisfied by the Company and the Purchaser is unable to complete the proposed transaction.

Other Conditions

The Agreement remains subject to all shareholder, securities and regulatory approvals and acceptances (as required) and all third party consents (as required) including, without limitation, the approval of the TSX Venture Exchange.

The closing of the purchase and sale of the Assets is expected to occur on or before the date that is 90 days from the date that the last of the financing conditions is completed to the Arranger's satisfaction. The Company has the right to terminate the Agreement if closing does not occur on or before March 31, 2018.

Pursuant to Article 2.2.3 of the Agreement, the Purchaser is required to deliver a non-refundable deposit of US\$500,000 on or before November 4, 2017. The Company has the right to terminate the Agreement if the deposit is not paid on or by November 4, 2017. As of issuing this press release, the Company has not received the deposit.

As a result of the significant conditions and contingencies described above, there can be no assurances whatsoever that the transaction contemplated in the Agreement will be completed on the terms contemplated in the Agreement or at all. If the transaction contemplated by the Agreement is not completed, the Company intends to continue its ongoing efforts to secure Mining and Rock Quarry Permits. If the transaction is completed, it is expected that the Company will distribute the vast majority of the proceeds from the purchase and sale to the Company's shareholders, while at the same time exploring other business opportunities.

Other Matters

In Article 7.7 of the Agreement, "Baker & McKenzie LLP", is referred to as "Purchaser's Counsel". The Purchaser advised the Company that Baker McKenzie LLP was identified in the Agreement in error, that it has not engaged Baker McKenzie LLP as legal counsel for the transaction and that Baker McKenzie LLP has no relationship with the Purchaser. The Purchaser has received advice in connection with the proposed transaction from Thomas J. Kenan, who is based in Houston, Texas.

While the Company believes based on testing done to date that the Assets contain a significant supply of magnesium, the statement made by the President and Chief Executive Officer of the Company on October 5, 2017 that "if you calculate the three sections of land, there is about 3,000 years of supply of magnesium can be extracted from the property" should not be relied upon.

No finder's fee is payable in connection with the proposed transaction.

Trading in the Company's shares was halted on October 6, 2017. After trading was halted, the Company has responded to regulatory inquiries concerning the proposed transaction and the Company. The Company intends to cooperate in connection with such inquiries.

The Company is in discussions regarding when its shares will resume trading.

About West High Yield

West High Yield is a publicly traded junior mining exploration company focused on the acquisition, exploration and development of mineral resource properties in Canada with a primary objective to locate and develop economic gold, nickel and magnesium properties.

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Reader Advisory

This is high risk transaction. The completion of the transaction is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance. There can be no assurance that the transaction will be completed as proposed or at all.

The TSX Venture Exchange Inc. has in no way passed on the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Investors are cautioned that, except as disclosed in the information circular to be prepared in connection with the Company's annual and special meeting or as otherwise disclosed in the Agreement, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning the satisfaction of the conditions to obtain the financing necessary to complete the proposed transaction, the satisfaction of other conditions related to the transaction (including receipt of TSX Venture Exchange approval), the anticipated closing date of the transaction, the Company's anticipated plans whether or not the transaction is completed and the resumption of trading in the Company's shares. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because the Company can give no assurance that they will prove to be correct.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada and globally; industry conditions, including governmental regulation; failure to obtain industry partner and other third party consents and approvals, if and when required; the failure of the Purchaser to obtain the necessary financing to complete the transaction; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, skilled personnel and supplies; changes in tax laws; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of

the date hereof, and to not use such forward-looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

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

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