

Westwater Resources, Inc. to Acquire Alabama Graphite Corp.

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Share Exchange to Combine a Portfolio of Green-Energy Mineral Mining Properties and Fast Track Battery Materials Development in the United States for Sales Worldwide

The Energy Graphite™ Company Sourced and Manufactured in the United States of America

TORONTO, Dec. 13, 2017 - [Alabama Graphite Corp.](#) ("Alabama Graphite" or the "Corporation") (TSX-V:CSPG) (OTCQB:CSPGF) (FRANKFURT:1AG) is pleased to announce that it has entered into a definitive agreement (the "Arrangement Agreement") with Westwater Resources, Inc. ("Westwater") (NASDAQ:WWR) pursuant to which Westwater will acquire all of the issued and outstanding securities of Alabama Graphite (the "Acquisition").

Both Westwater and Alabama Graphite are mineral exploration and development companies with advancing American green-energy minerals and materials projects. Westwater is an explorer and developer of mineral resources that are materials essential to 21st Century clean energy production. Westwater holds dominant mineral rights positions in the Western United States and the Republic of Turkey for both lithium and uranium deposits, as well as licensed production facilities for uranium in Texas. Alabama Graphite is focused on the exploration and development of its flagship Coosa Graphite Project in Coosa County, Alabama —; the most advanced flake graphite project in the contiguous United States of America —; and its Bama Mine Project in Chilton County, Alabama. The Coosa Graphite Project represents the largest Indicated Mineral Resource¹ of flake graphite in the United States of America. Alabama Graphite is also an aspiring battery materials production company. Alabama Graphite's intent is to commence small-scale mining and primary processing operations in Alabama and, subsequently, divert 100% of primary production to secondary processing, specialty-graphite production (namely, Coated Spherical Purified Graphite or "CSPG" and Purified Micronized Graphite or "PMG") for use in lithium-ion and other battery markets.

¹ *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*

Management and the Board of Directors of both Westwater and Alabama Graphite and the Special Committee of the Alabama Graphite Board of Directors are unanimously in support of the proposed business combination. "This combination is an excellent strategic fit," noted Chris Jones, President and Chief Executive Officer of Westwater.

"The timing of this transaction could not be better," added Jean Depatie, Chairman of Alabama Graphite. "Alabama Graphite's Coosa Graphite Project is at the feasibility-study stage and Westwater, having excellent management and financial resourcefulness, has the experience and ability to advance our projects and enhance shareholder value at a pace, and in a manner, we would not have been able to achieve on our own. Furthermore, this transaction provides Alabama Graphite with much needed interim financing that protects our shareholders from equity dilution and going-concern risk."

HIGHLIGHTS OF THE ACQUISITION

The Boards of Directors of Westwater and Alabama Graphite consider the Acquisition to be a compelling and fair transaction, which is expected to provide significant strategic and financial benefits to the shareholders of both companies.

Key benefits of the Acquisition include:

- The combination of Westwater's in-house technical abilities and operational expertise in the production of a wide range of commodities with the mineral resources controlled by Alabama Graphite near Sylacauga, Alabama provides strategic corporate experience and a stronger balance sheet for a fast-track route to expected low-cost, specialized graphite intended to supply the existing and growing battery markets;

- Provides the shareholders of both companies with exposure to an extensive project portfolio consisting of near and mid-term resources to support the fast-growing transportation battery market through the near-term Coosa Graphite Project and the mid-term Westwater lithium exploration properties in Nevada and Utah, as well as long-term leverage to the expected rise in the uranium price with Westwater's uranium property portfolio;
- Greatly improved access to and greater appeal for global equity capital markets through Westwater's current listing on the NASDAQ; and
- Establishment of a strong platform to continue developing a leading energy materials, exploration, and development business through both organic growth and/or further corporate transactions.

TERMS OF THE ACQUISITION

Westwater and Alabama Graphite plan to complete the Acquisition by way of a court-approved Plan of Arrangement pursuant to the *Business Corporations Act* (British Columbia), whereby each issued and outstanding Alabama Graphite common share will be purchased by Westwater, and the holder thereof will receive 0.08 of one Westwater common share (the "Exchange Ratio"), which represents a value of approximately CAD\$0.117 per Alabama Graphite common share based upon the closing price of Westwater's common shares on NASDAQ on December 11, 2017. The share Exchange Ratio represents a discount of approximately 2.3% to the closing price of Alabama Graphite's common shares on the TSX Venture Exchange on December 11, 2017. Westwater has also agreed to provide Alabama Graphite with a secured loan of up to USD\$2 million to remedy Alabama Graphite's current working capital deficit, to pay outstanding payables, and to fund its essential operations until the close of the Acquisition, which is targeted for April 2018.

Holders of Alabama Graphite common share purchase warrants and stock options shall receive replacement warrants or options issued by Westwater. Pursuant to the terms of the Acquisition, management, staff, and directors of Alabama Graphite have agreed to surrender 8,241,000 stock options and 4,883,337 warrants so that Westwater is not required to issue replacement securities for these Alabama Graphite securities.

Currently, Alabama Graphite has 145,315,187 common shares issued and outstanding, and Westwater has 27,640,324 common shares outstanding. Upon the closing of the Acquisition as currently proposed, Westwater will have 39,265,539 issued and outstanding common shares, of which approximately 70% will be held by Westwater's current shareholders and approximately 30% will be held by Alabama Graphite shareholders.

The Arrangement Agreement also provides for, among other things, a non-solicitation covenant on the part of Alabama Graphite, subject to customary "fiduciary out" provisions that entitle Alabama Graphite to consider and accept a superior proposal, a right in favor of Westwater to match any superior proposal and an entitlement for expense reimbursement upon termination for Westwater of up to USD\$1.5 million, under certain circumstances.

All of Alabama Graphite's Directors and Officers have executed voting and support agreements indicating their support for the Acquisition and their intention to vote to approve the Acquisition at Alabama Graphite's upcoming shareholders' meeting.

The Acquisition is subject to all requisite regulatory approvals, court approval, obtaining all security holder approvals required by applicable laws and such other conditions as are customary in transactions of this nature. Alabama Graphite will be seeking shareholder approval of the proposed Acquisition, in a meeting to be held on or before March 30, 2018. Westwater will be seeking shareholder approval of the proposed Acquisition, in a meeting to be held on or before March 30, 2018. The Acquisition is also subject to the approval of the Supreme Court of British Columbia.

SECURED LOAN AGREEMENT

In order to fund Alabama Graphite's current working capital deficit, to pay outstanding accounts payable, and provide sufficient cash resources to enable the Corporation to carry on its business until the closing of the Acquisition, concurrent with the execution of the Arrangement Agreement, Alabama Graphite and Westwater also agreed to the terms of a secured loan from Westwater to Alabama Graphite for up to USD\$2 million (the "Secured Loan"). The Secured Loan will carry a 3% interest rate and is convertible into common shares of Alabama Graphite at Westwater's election using a conversion price to be determined following the announcement of the Acquisition. The Secured Loan remains subject to TSX Venture Exchange review and approval.

Should the Arrangement Agreement become terminated, the Secured Loan will become repayable on June

30, 2018; however, it would become repayable immediately if Alabama Graphite withdraws its support for the Acquisition and recommends a competing transaction.

The promissory note issued by Alabama Graphite to Westwater and, if converted, the underlying common shares of Alabama Graphite convertible from the Secured Loan, are subject to a restricted period of four months and one day, which will end on April 14, 2018, in accordance with National Instrument 45-102 – *Resale of Securities*.

BENEFITS TO ALABAMA GRAPHITE SHAREHOLDERS

During the past several years, Alabama Graphite has always been able to operate and develop its business without the financial support of any revenues from its operations. It has been able to continually do this due to Alabama Graphite’s ability to procure new funds for itself, primarily from the equity capital markets. During the Fall of 2017, Alabama Graphite considered a variety of funding sources and alternate funding techniques and also considered a traditional discounted equity private placement. Alabama Graphite recognized that the capital required for its sustainability and especially for its desired growth and project development plans, while considered feasible if pursued determinedly, would likely result in significantly discounted and dilutive financing solutions that would not be consistent with maximizing shareholder value. Accordingly, one of the important considerations of Alabama Graphite’s Special Committee and its Board of Directors in regard to pursuing and approving the transaction with Westwater was to obtain the non-dilutive interim loan financing and join forces with an impressive company with, among other strengths, superior financial resourcefulness. Pursuant to the Acquisition, Westwater will add Alabama Graphite’s graphite assets to Westwater’s portfolio of green-energy mineral projects in order to develop these important 21st Century assets and unlock value for shareholders at a pace that Alabama Graphite would not likely have been able to do on its own. Alabama Graphite’s Board of Directors is unanimously pleased with Alabama Graphite’s much-improved prospects for the enhancement of shareholder value over both the near and long terms.

Alabama Graphite shareholders will derive many benefits from the Acquisition, including:

- An expected immediate improvement in upside equity valuation potential as compared to other alternatives that were considered;
- An expected significant increase in daily share trading liquidity;
- Leverage the skills and know-how of Westwater’s experienced mining and operations teams;
- Benefits of a higher profile through Westwater’s NASDAQ listing in the U.S.;
- Benefits from both diversification and product synergies related to Westwater’s lithium and uranium project portfolios; and
- Improved short-term and long-term funding capabilities and resourcefulness.

As part of the transition period prior to the expected upcoming completion of the Acquisition, Alabama Graphite’s President and CEO, Donald Baxter, has agreed to resign from his officer and director positions with Alabama Graphite with immediate effect. Alabama Graphite’s Board of Directors appreciates Mr. Baxter’s efforts and contributions. Dr. Gareth Hatch, a Director of Alabama Graphite, has been appointed as its interim CEO. Executive Vice President and Corporate Secretary Tyler Dinwoodie has been appointed as Alabama Graphite’s President and will assist Dr. Hatch with duties and responsibilities during the transition period. Alabama Graphite’s Audit Committee is now comprised of Jean Depatie, Daniel Goffaux, and Dr. Hatch.

BENEFITS TO WESTWATER SHAREHOLDERS

Westwater’s shareholders will also realize many benefits from the Acquisition, including:

- Exposure to a new green-energy commodity, which is in high demand as transportation batteries increase production;
- The post-merger management team will work to further optimize the project, working in conjunction with Alabama Graphite’s customary product development laboratories in the US and Canada; and
- The potential for Westwater to be re-categorized as a mining producer sooner than may otherwise have been the case by relying on its uranium and lithium production timeline expectations alone.

The Board of Directors of Westwater unanimously recommends Westwater shareholders approve the issue of all consideration securities to Alabama Graphite security holders. Westwater CEO Chris Jones commented: *“This is a transformational merger for our shareholders that positions our combined*

company as having assembled a formidable portfolio of American ‘must-have’ green-energy mineral projects, with the Coosa Project being our new priority core asset. We will be meeting with all stakeholders and state regulatory entities shortly and we are full speed ahead with development of the project in Alabama.’;

BENEFITS FOR BOTH ALABAMA GRAPHITE AND WESTWATER SHAREHOLDERS

In addition to the strong benefits expected for each group of shareholders, there are a number of benefits that both companies' shareholders may enjoy, including:

- More extensive portfolio of projects, ranging from potential near-term production assets (Coosa) to grassroots exploration opportunities, which better equip the post-merger company to respond to changing commodity market conditions;
- Geographical concentration – the United States, as preferentially sourced graphite and other battery materials from domestic sources and companies. The post-merger company will be headquartered in Centennial, Colorado, a suburb of Denver;
- Expected increase in attractiveness to both retail and institutional investors;
- Expected increase in trading liquidity and coverage by green-energy sector analysts;
- Establishment of a stronger platform from which the combined business may pursue future growth opportunities; and
- Cost savings due to the elimination of duplicative head office and management expenses.

ADVISERS

Roth Capital Partners, LLC has provided an opinion to the Westwater Board of Directors that the Exchange Ratio is fair, from a financial point of view to the Westwater shareholders. As well, Echelon Wealth Partners Inc. has provided a fairness opinion to the Special Committee of the Alabama Graphite Board of Directors, indicating that the consideration to be received by Alabama Graphite shareholders is fair, from a financial point of view to Alabama Graphite shareholders. Westwater is represented by Hogan Lovells LLP in Denver, Stikeman Elliott LLP in Toronto and Balch & Bingham LLP in Alabama. Alabama Graphite is represented by Miller Thomson LLP in Toronto, Dorsey & Whitney LLP in Toronto and Minneapolis, and Dominick Feld Hyde, P.C. in Alabama.

On behalf of the Board of Directors of Alabama Graphite Corp.

Dr. Gareth P. Hatch, CEng, FIMMM, FIET
Chief Executive Officer and Executive Director

ABOUT ALABAMA GRAPHITE CORP.

[Alabama Graphite Corp.](#) is a Canadian-based flake graphite exploration and development company as well as an aspiring battery materials production and technology company. Alabama Graphite operates through its wholly owned subsidiary, Alabama Graphite Company, Inc. (a company registered in the state of Alabama). With an advancing flake graphite project in the United States of America, Alabama Graphite intends to become a reliable, long-term U.S. supplier of specialty high-purity graphite products. Alabama Graphite Corp. is focused on the exploration and development of its flagship Coosa Graphite Project in Coosa County, Alabama, and its Bama Mine Project in Chilton County, Alabama as well as the research and development of the manufacturing and technological processing of battery materials.

Alabama Graphite Corp. holds a 100% interest in the mineral rights for these two U.S.-based graphite projects, which are both located on private land. The two projects encompass more than 43,000 acres and are located in a geopolitically stable, mining-friendly jurisdiction with significant historical production of crystalline flake graphite in the flake graphite belt of central Alabama, also known as the Alabama Graphite Belt (source: U.S. Bureau of Mines). A significant portion of the Alabama deposits is characterized by graphite-bearing material that is oxidized and has been weathered into extremely soft rock. Both projects have infrastructure in place, are within close proximity to major highways, rail, power and water, and are approximately three hours (by truck or train) to the Port of Mobile, the Alabama Port Authority's deep-seawater port and the ninth largest port by tonnage in the United States (source: U.S. Army Corps of Engineers/USACE). The state of Alabama's hospitable climate allows for year-round mining operations and the world's largest marble quarry (which operates 24 hours a day, 365 days a year in

Sylacauga, Alabama), is located within a 30-minute drive of the Coosa Graphite Project.

On November 30, 2015, Alabama Graphite Corp. announced the results of its PEA² for the Coosa Graphite Project, indicating a potentially low-cost project with potential positive economics. Please refer to the Company's technical report titled "Alabama Graphite Corp. Preliminary Economic Assessment (PEA) on the Coosa Graphite Project, Alabama, USA" dated November 27, 2015, prepared by independent engineering firms AGP Mining Consultants Inc. and Metal Mining Consultants Inc., and filed on SEDAR at www.sedar.com.

² A Preliminary Economic Assessment or PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized.

For more information on Alabama Graphite Corp., please visit www.alabamagraphite.com.

ABOUT WESTWATER RESOURCES, INC.

Westwater Resources Inc., ("WWR") or the ("Company") (formerly Uranium Resources, Inc.) is focused on developing energy-related metals. The Company has developed a dominant land position in three prospective lithium brine basins in Nevada and Utah in preparation for exploration and potential development of any lithium resources that may be discovered there. In addition, WWR remains focused on advancing the Temrezli in-situ recovery (ISR) uranium project in Central Turkey when uranium prices permit economic development of this project. WWR controls extensive exploration properties in Turkey under eight exploration and operating licenses covering approximately 39,000 acres (over 16,000 ha) with numerous exploration targets, including the potential satellite Sefaatli Project, which is 30 miles (48 km) southwest of the Temrezli Project. In Texas, the Company has two licensed and currently idled uranium processing facilities and approximately 11,000 acres (4,400 ha) of prospective ISR uranium projects. In New Mexico, the Company controls mineral rights encompassing approximately 186,000 acres (75,300 ha) in the prolific Grants Mineral Belt, which is one of the largest concentrations of sandstone-hosted uranium deposits in the world. Incorporated in 1977, WWR also owns an extensive information database of historic drill hole logs, assay certificates, maps and technical reports for uranium properties located in the Western United States.

For more information on Westwater Resources Inc., please visit www.westwaterresources.net.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking information under applicable Canadian securities laws ("forward-looking statements"), which may include, without limitation, statements with respect to potential relationships between the Company, its shareholders and possible third-party investors or joint actors. The forward-looking statements are based on the beliefs of management and reflect Alabama Graphite Corp.'s current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may", "will", "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements. Such statements reflect the current view of Alabama Graphite Corp. with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of graphite; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors disclosed in the Company's publicly filed documents. Forward-looking statements are also based on a number of assumptions, including that contracted parties provide goods and/or services on the agreed timeframes, that equipment necessary for exploration is available as scheduled and does not incur unforeseen breakdowns, that no labor shortages or delays are incurred, that plant and equipment function as specified, that no unusual geological or technical problems occur, and that laboratory and other related services are available and perform as contracted. Forward-looking statements are made based on

management's beliefs, estimates, and opinions on the date that statements are made and Alabama Graphite Corp. undertakes no obligation to update forward-looking statements (unless required by law) if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements. [Alabama Graphite Corp.](#) cautions that the foregoing list of material factors and assumptions are not exhaustive. When relying on Alabama Graphite Corp. forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and assumptions and other uncertainties and potential events.

Alabama Graphite Corp. has also assumed that the material factors and assumptions will not cause any forward-looking statements to differ materially from actual results or events. However, the list of these factors and assumptions is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

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QUALIFIED PERSONS

Dr. Gareth P. Hatch, CEng, FIMMM, FIET, Chief Executive Officer and Director of [Alabama Graphite Corp.](#), is a Qualified Person as defined by National Instrument 43-101 ("N.I. 43-101") guidelines, and has reviewed and approved the scientific and technical disclosure in this news release.

Jesse R. Edmondson, P.G., Project Geologist of Alabama Graphite Corp., is a Qualified Person as defined by N.I. 43-101 guidelines, and has reviewed and approved the geology and mineral resource estimation disclosure in this news release.

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