

# Alabama Graphite Announces Reporting of Financial Results for Fiscal 2017 and Provides Update

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

TORONTO, Jan. 08, 2018 - [Alabama Graphite Corp.](#) ("Alabama Graphite" or the "Corporation") (TSX-V:CSPG) (OTCQB:CSPGF) (FRANKFURT:1AG) announces that it has reported its financial results for the fiscal year ended August 31, 2017 ("FY 2017"). The Corporation's complete annual audited financial statements and management discussion and analysis ("MD&A") for the year ended August 31, 2017 are available on the Canadian Securities Administrators' ("CSA") System for Electronic Document Analysis and Retrieval ("SEDAR") on [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [www.alabamagraphite.com](http://www.alabamagraphite.com). The audit of Alabama Graphite's financial statements was completed by the Corporation's independent auditors, Toronto-based UHY McGovern Hurley LLP.

The past fiscal year was a pivotal one for Alabama Graphite, as the Corporation announced on December 13, 2017 that it has entered into a definitive agreement (the "Arrangement Agreement") with Colorado, USA-based [Westwater Resources, Inc.](#) ("Westwater") (NASDAQ:WWR) pursuant to which Westwater will acquire all of the issued and outstanding securities of Alabama Graphite (the "Acquisition"). Management and the Board of Directors of both Westwater and Alabama Graphite, as well as the Special Committee of Alabama Graphite's Board of Directors, are unanimously in support of the Acquisition, which remains 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.

## **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 stronger balance 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. For more information on Westwater, please visit [www.westwaterresources.net](http://www.westwaterresources.net).

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

- Leverage the skills and know-how of Westwater's experienced mining and operations teams;
- Benefits of a higher US profile through Westwater's NASDAQ listing;

- Benefits of being an American company, advancing the only natural flake graphite project in the contiguous USA;
- 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.

More information regarding the Acquisition will be available in an upcoming Information Circular, currently expected to be completed on or about the end of January 2018. The Corporation will report its first quarter ("Q1") financial statements and the MD&A on January 29, 2018.

## CONVERSION PRICE OF SECURED LOAN

In connection with the Acquisition, Alabama Graphite and Westwater also agreed to the terms of a previously-announced secured loan from Westwater to Alabama Graphite for up to USD\$2 million (the "Secured Loan"). The Secured Loan carries a 3% interest rate, and is convertible into common shares of Alabama Graphite ("Common Shares") at Westwater's election using a conversion price of \$0.0878, which was determined by calculating the volume-weighted average price ("VWAP") of the Common Shares for the five trading days immediately following the initial public announcement of the Acquisition (which occurred on December 13, 2017).

As at the date hereof and since the announcement of the Acquisition and the Secured Loan, Alabama Graphite has drawn on an aggregate amount of approximately USD\$1 million, pursuant to the Secured Loan from Westwater.

The Secured Loan remains subject to final TSX Venture Exchange review and approval.

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

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

## ABOUT ALABAMA GRAPHITE CORP.

Alabama Graphite 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 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 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 are 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 announced the results of its PEA<sup>2</sup> for the Coosa Graphite Project, indicating a potentially low-cost project with potential positive economics. Please refer to the Corporation'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](http://www.sedar.com).

<sup>2</sup> 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, please visit [www.alabamagraphite.com](http://www.alabamagraphite.com).

## 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 the anticipated benefits and completion of the Acquisition and any transactions relating thereto, the ability to obtain all requisite regulatory approvals, court approval and security holder approvals, and satisfying such other conditions as are required in connection with the Acquisition and any transactions relating thereto, and the mailing and filing of the management information circular related to the Special Meeting and the timing thereof and timing of the Special Meeting. The forward-looking statements are based on the beliefs of management and reflect Alabama Graphite’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 with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements. Completion of the Acquisition is subject to a number of conditions which are typical for transactions of this nature. Failure to satisfy any of these conditions, the emergence of a superior proposal or the failure to obtain the approval of the security holders of Alabama Graphite and Westwater may result in the termination of the Arrangement Agreement.

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 Corporation’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 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 cautions that the foregoing list of material factors and assumptions are not exhaustive. When relying on Alabama Graphite 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 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

Gareth P. Hatch, PhD, CEng, FIMMM, FIET, Chief Executive Officer and Director of Alabama Graphite, 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, 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.

## CONTACT

### [Alabama Graphite Corp.](#)

Tyler W. P. Dinwoodie, President  
+1 (416) 309-8641  
tdinwoodie@alabamagraphite.com

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