

# **Corsa Coal Poised to Become Pure-Play Met Coal Producer Upon the Sale of Thermal Coal Assets**

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CANONSBURG, PA, March 7, 2018 /CNW/ - [Corsa Coal Corp.](#) (TSXV: CSO) ("Corsa" or the "Company") is pleased to announce that it is selling its thermal and industrial coal division, Central Appalachia ("CAPP"), to a buyer group led by CAPP's current management team (the "Transaction").

"The sale of our CAPP division will allow us to dedicate all of our corporate resources to the metallurgical coal market where we believe we can achieve the highest rates of return on investment," said George Dethlefsen, the Company's Chief Executive Officer. "Corsa's focus going forward is to aggressively increase its metallurgical coal production, maximize value added services activity, and continue to grow our metallurgical sales and trading platform."

CAPP division's current operations include one underground mine, the Cooper Ridge Deep Mine, and two surface operations, the Valley Creek and Buffalo Creek mines. The consideration to be received by the Company in connection with the Transaction consists of the assumption by the buyer group of certain debt, leases and future costs, including end of mine closure costs, estimated in the aggregate by the Company at approximately US\$8.0 million. For the year ended December 31, 2017, the CAPP division (i) generated revenues of US\$46.4 million and had US\$20.2 million of negative EBITDA, inclusive of a US\$20.0 million asset impairment; and (ii) sold 539,000 tons of thermal coal and 135,000 tons of high vol metallurgical coal.

As a result of the Transaction, the Company is postponing the release of its fourth quarter and full year 2017 financial results, and the related conference call previously scheduled for 10:00 a.m. (Eastern Time) on March 8, 2018, until the week of March 12, 2018. A new time and date for this conference call will be announced shortly.

#### Further Transaction Details

The Transaction will be effected by way of a sale of the membership units of Company's subsidiary, Kopper Glo Mining, LLC to Industrial Minerals Group, LLC (the "Buyer") expected to be completed on or about March 9, 2018. Principals of the Buyer include Hunter Hobson, the president of the Company's CAPP division, Keith Dyke, former president of the Company's CAPP division and the Buyer received financing from entities controlled by a member of the Robertson family. The Robertson family controls the general partner of Quintana Energy Partners, L.P. and its affiliated investment funds (collectively, "Quintana"). Quintana currently controls approximately 41% of the Corporation's issued and outstanding common shares.

The board of directors of the Company has unanimously (with conflicted directors abstaining) determined that the Transaction is in the best interests of the Company and approved the Transaction.

The Transaction constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). However, the Transaction is exempt from the minority approval requirements of MI 61-101, as neither the fair market value of the subject matter of, or the consideration for, the Transaction, exceeds 25% Corsa's market capitalization calculated in accordance with MI 61-101. In addition, the Transaction constitutes a "Reviewable Disposition" under Policy 5.3 of the TSX Venture Exchange Corporate Finance Manual. Shareholders holding approximately 34% of the Company's issued and outstanding common shares, and approximately 56% of the Company's issued and outstanding common shares excluding common shares of the Company controlled by Quintana, evidenced their approval of the Transaction by written consent provided to the TSX Venture Exchange (the "Exchange"), and the Transaction was subsequently approved by the Exchange.

Although the Company is confident that the Transaction will be completed expeditiously, at this time there can be no assurance that the Transaction will be completed or completed in a timely manner.

#### Additional Disclosure Required by the Exchange

Further information regarding the CAPP division can be found in the technical report titled "Technical Report on the Coal Reserve and Coal Resource Controlled by Kopper Glo Mining, LLC, Tennessee, USA - Prepared in Accordance with National Instrument 43-101 Standards for Disclosure for Mineral Projects Effective December 31, 2016" (the "Technical Report"), which was prepared by Marshall Miller & Associates, Inc. under the supervision of Justin S. Douthat, P.E., M.B.A. and John W. Eckman, C.P.G., each a qualified person, as such term is defined in NI 43-101, and each of which is independent of Corsa and its subsidiaries. In particular, Item 22 of the Technical Report provides an economic analysis of the CAPP division's coal reserves and resources, including projected future revenue, cash costs and EBITDA, which, based on

certain assumptions, may impact that value of the CAPP division and which, over time, may exceed the consideration received by the Company in connection with the Transaction.

#### Qualified Person

Other than in connection with the Technical Report, all scientific and technical information contained in this news release has been reviewed and approved by Peter V. Merritts, Professional Engineer and the Company's President - NAPP Division, who is a qualified person within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

#### Information about Corsa

Corsa is a coal mining company focused on the production and sales of metallurgical coal, an essential ingredient in the production of steel. Our core business is producing and selling metallurgical coal to domestic and international steel and coke producers in the Atlantic and Pacific basin markets.

#### Forward-Looking Statements

Certain information set forth in this press release contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") under applicable securities laws. Except for statements of historical fact, certain information contained herein relating to projected sales, coal production, rates of return on expenditures and the capacity and recovery of Corsa's preparation plants, constitutes forward-looking statements which include management's assessment of future plans and operations and are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "estimates", "expects", "anticipates", "believes", "projects", "plans", "capacity", "hope", "forecast", "anticipate", "could" and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Corsa's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: the completion, and timing for completion, of the Transaction, risks that the actual production or sales will be less than projected production or sales; risks that the prices for coal sales will be less than projected; liabilities inherent in coal mine development and production; geological, mining and processing technical problems; inability to obtain required mine licenses, mine permits and regulatory approvals or renewals required in connection with the mining and processing of coal; risks that Corsa's preparation plants will not operate at production capacity during the relevant period, unexpected changes in coal quality and specification; variations in the coal mine or preparation plant recovery rates; dependence on third party coal transportation systems; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; changes in the regulations in respect to the use, mining and processing of coal; changes in regulations on refuse disposal; the effects of competition and pricing pressures in the coal market; the oversupply of, or lack of demand for, coal; inability of management to secure coal sales or third party purchase contracts; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of coal products, including labor stoppages and severe weather conditions; the demand for and availability of rail, port and other transportation services; the ability to purchase third party coal for processing and delivery under purchase agreements; and management's ability to anticipate and manage the foregoing factors and risks. The forward-looking statements contained in this press release are based on certain assumptions regarding, among other things, coal sales being consistent with expectations; future prices for coal; future currency and exchange rates; Corsa's ability to generate sufficient cash flow from operations and access capital markets to meet its future obligations; the regulatory framework representing royalties, taxes and environmental matters in the countries in which Corsa conducts business; coal production levels; Corsa's ability to retain qualified staff and equipment in a cost-efficient manner to meet its demand; and Corsa being able to execute its program of operational improvement and initiatives. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on forward-looking statements. Corsa does not undertake to update any of the forward-looking statements contained in this press release unless required by law. The statements as to Corsa's capacity to produce coal are no assurance that it will achieve these levels of production or that it will be able to achieve these sales levels.

The TSX Venture Exchange has in no way passed on the merits of this news 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 release.

SOURCE [Corsa Coal Corp.](#)

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