

# Black Bull Resources Inc. Provides Operational Update; 2018 Revenues Expected to Exceed \$80 Million

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SHELBURNE, June 05, 2018 - [Black Bull Resources Inc.](#) (NEX:BBS.H) ("Black Bull" or the "Company") is pleased to provide an operational update on the portfolio of investments that will be acquired pursuant to the previously announced Definitive Agreement (the "Purchase Agreement") dated September 19, 2017, with a group of investment and business professionals to effect an arm's length Change of Business (the "Transaction") as defined in Policy 5.2 of the TSX Venture Exchange (the "Exchange" or "TSXV"). Post-closing, the Company has forecast overall revenues related to the Transaction to exceed \$80 million with EBITDA forecast to exceed \$30 million in the second half of 2018.

## Investee Companies Development

The Transaction which, is subject to regulatory and final closing conditions, will see Black Bull transition from a Resource Issuer to an Investment Issuer within the meaning of such terms as defined in the policies of the TSXV. The portfolio of companies included in the Transaction will be acquired by the Company post-closing has continued to accelerate in order to drive an incremental increase in value.

The proposed new management team, having been previously announced on September 26, 2017, has been working with the portfolio of companies (the "Portfolio") over the past several months, and as a result of that work, now forecasts Black Bull 2018 revenue and cash flow is either at, or ahead of expectations.

With respect to certain Portfolio assets, total potential order agreements relating to all third-party agreements could total in excess of \$300 million on an annualized basis. Timing for execution, and revenue commencement is expected over the next several weeks with impact to the Company being realized by the fall of 2018. EBITDA margins for these contracts are anticipated to be in excess of 35%.

Management has worked to significantly advance the Portfolio value, and has significant additional growth planned for the Portfolio that could have dramatic revenue, cash flow and earnings growth throughout the second half of 2018, expediting estimates in advance of early 2019.

The Transaction is an arm's length transaction involving an issuer listed on the NEX ("NEX" is a separate trading board of TSX Venture Exchange), therefore it is anticipated that no shareholder approval shall be required. In addition, the Company is working on the engagement of a lead agent and anticipates an announcement in due course.

## Closing

As a condition of Closing, the Company and Vendors are required to jointly complete a private placement financing for not less than \$3.0 million CAD of gross proceeds. To raise these funds, the Company will issue up to \$1.5 million in Common shares, priced at \$0.10 per common share, and a minimum of \$1.5 million of Preferred Shares priced at \$10.00 per Preferred Share. Commitments for in excess of \$1.0 million have been received equally split between Preferred A shares and Common Shares.

The Closing is subject to a number of conditions, including but not limited to: requisite regulatory, corporate, and third-party approvals, including Exchange approval; all required board approvals by the Company, the receipt of a fairness opinion to the satisfaction of the Board of Directors of the Company; and completion of due diligence investigations to the satisfaction of each of the Company and the Vendors.

Sponsorship of a "Change of Business" transaction is required by the Exchange unless exempt therefrom in accordance with the Exchange's policies or unless the Exchange provides a waiver. The Company intends to apply for an exemption from the sponsorship requirements pursuant to the policies of the Exchange. If the exemption is not granted by the Exchange, then the Company would be required to engage a sponsor or will seek a waiver from the sponsorship requirement.

## Post-Closing

Upon Closing, the Company intends to change its name to Magnetic North Acquisition Corp., ("Magnetic" or "Magnetic North"), or such other name as the management team may determine. It is anticipated that the Exchange would assign a new trading symbol at the time of the name change. Upon Closing, the Company intends to be listed on the TSXV as a Tier 2 Investment Issuer.

The business of the Magnetic North will become hands-on merchant banking. The existing management and Board of Directors of the Company will, upon Closing, resign from the Company, and Magnetic will appoint certain individuals to constitute the new management and Board of Directors (the "Magnetic Team"). The Magnetic Team is a working group of highly experienced professionals in finance, operations and strategy. The core principle of which is that "capital alone doesn't solve problems." Magnetic will provide capital, management and Board level representation to its Investee Companies in order to drive significant growth. The Magnetic Team believes that capital coupled with expertise and experience provides a superior return on investment to investors.

## For Further Information, Please Contact:

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## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

*Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, 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.*

*The Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.*

*This news release contains "forward-looking information" within the meaning of Canadian securities legislation. Forward-looking information generally refers to information about an issuer's business, capital, or operations that is prospective in nature, and includes future-oriented financial information about the issuer's prospective financial performance or financial position.*

*The forward-looking information in this news release includes disclosure about the terms of the proposed Transaction, its anticipated closing date, the proposed structure of the Transaction, the terms of the concurrent financing and the business and operations of the Company after the completion of the Transaction, the operational and financial results of the portfolio companies, and the value of the Portfolio.*

*The Company has made certain material assumptions, including but not limited to: prevailing market conditions; general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; the terms of the proposed financing; the ability of the Company to execute and achieve its business objectives after the closing of the Transaction; the historical financial performance of the Portfolio companies; management's expectations of future performance of the Portfolio companies, and the consummation of transactions in order agreements to develop the forward-looking information in this news release. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.*

*Actual results may vary from the forward-looking information in this news release due to certain material risk factors. These risk factors include, but are not limited to: adverse market conditions; the inability of the*

*Company or the Vendors to complete the Transaction on the terms disclosed in this news release, or at all; the inability of the Company to obtain TSXV acceptance and the approval of its shareholders; the unavailability of exemptions from prospectus requirements for the issuance of shares under the financing; refusal of the proposed directors or officers to act for any reason, including conflicts of interest; reliance on key and qualified personnel; regulatory and other risks associated with the industries in which the Company's portfolio companies operate, in general; and the failure to complete the transactions contemplated by order agreement. The Company cautions that the foregoing list of material risk factors and assumptions is not exhaustive.*

*The Company assumes no obligation to update or revise the forward-looking information in this news release, unless it is required to do so under Canadian securities legislation.*

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