

MGX Minerals Announces Spin-Out of MGX Renewables (Formerly Zincnyx Energy Solutions) Pursuant to a Plan of Arrangement

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Typical 5kW Modular System

- *ZincNyx has been renamed “MGX Renewables Inc.”*;
- *MGX Minerals to spin-out of MGX Renewables under a plan of arrangement*
- *Spin-out to be completed as a return of capital to MGX Minerals Shareholders*
- *MGX Mineral’s CEO Jared Lazerson appointed as CEO of MGX Renewables*

VANCOUVER, Nov. 01, 2018 - MGX Minerals Inc. (“MGX” or the “Company”) (CSE: XMG / OTCQB: MGXMF / FSE: 1MG) is pleased to announce that it has entered into an arrangement agreement, dated October 31, 2018 (the “Arrangement Agreement”) with its wholly-owned subsidiary, MGX Renewables Inc. (formerly ZincNyx Energy Solutions Inc.) (“MGX Renewables”) whereby MGX will complete the previously announced spin-out of 40% of the common shares of MGX Renewables (“MGX Renewables Shares”) pursuant to a plan of arrangement (the “Plan of Arrangement”) under the Business Corporations Act (British Columbia). Jared Lazerson has been appointed as CEO of MGX Renewables.

As at the date hereof, there are 30,000,000 MGX Renewables Shares issued and outstanding. Under the spin-out, MGX shareholders of record on June 29, 2018 will receive one MGX Renewables Share for each 12.4163 MGX common shares (“MGX Shares”) then held (the “First Distribution”), and MGX shareholders of record on October 22, 2018 will receive one MGX Renewables Shares for each 59.8186 MGX Shares then held (the “Second Distribution” and, together with the First Distribution, the “Distribution”).

The spin-out will require certain approvals by MGX shareholders at MGX’s annual general and special meeting, expected to take place on December 20, 2018 (the “Meeting”). Further information regarding the transaction will be included in the management proxy circular to be mailed to MGX shareholders for the Meeting. Copies of the arrangement agreement and management proxy circular will be available on MGX’s SEDAR profile at www.sedar.com.

In connection with the Plan of Arrangement, MGX is also pleased to announce a non-brokered private placement by MGX Renewables of up to 12,000,000 subscription receipts (the “Subscription Receipts”) at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of up to \$3,000,000 (the “Subscription Receipt Offering”). Each Subscription Receipt will represent the right to automatically receive, upon closing of the Plan of Arrangement, one unit of MGX Renewables (each, a “Unit”), each Unit being comprised of one MGX Renewables Share (“Unit Share”) and one half of one MGX Renewables Share purchase warrant (each whole warrant a “Warrant”). Each Warrant will entitle the holder to acquire one MGX Renewables Share at a price per MGX Renewables Share of \$0.35 until the earlier of November 30, 2020. The Warrants will contain an accelerator clause whereby, if at any time after the date of issuance and prior to the expiry of the Warrants the volume weighted average trading price of the Common Shares exceeds \$0.50 for a period of ten consecutive trading days, the Corporation shall be entitled, at the option of the Corporation, to accelerate the expiry date of the Warrants by delivering written notice to the holders of Warrants, to a date that is not

less than 30 days following the delivery of such written notice. The Subscription Receipt Offering is expected to close on November 30, 2018.

Following the Company's news releases dated April 3, 2018, April 30, 2018, June 5, 2018, August 9, 2018, October 3, 2018 and October 16, 2018 (collectively, the "Prior Releases"), MGX determined that the most practical means of effecting the Distribution was by way of the Plan of Arrangement. As such, MGX no longer intends to issue any dividend-in-kind of MGX Renewables Shares to MGX shareholders and MGX no longer expects the Distribution to be made by way of MGX Renewables filing a prospectus with securities regulatory authorities. Neither the Company nor MGX Renewables has made any application to list the MGX Renewables Shares for trading on an exchange, no market currently exists for the MGX Renewables Shares, and the Prior Releases are qualified in their entirety by this news release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The MGX Renewables Shares, Subscription Receipts and any securities underlying the Subscription Receipts (the Units, Unit Shares, Warrants and Warrant Shares) have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold in the United States, unless pursuant to an exemption from such laws.

For more information on MGX Renewables, please refer to the Prior Releases and the Company's other news releases, dated December 13, 2017, December 18, 2017, January 9, 2018, January 30, 2018, February 1, 2018, February 7, 2018 and March 12, 2018, available on the Company's profile on SEDAR at www.sedar.com and at www.mgxminerals.com.

About MGX Renewables Inc.

MGX Renewables Inc. has developed a patented regenerative zinc-air flow battery that efficiently stores energy in the form of zinc particles and contains none of the traditional high cost battery commodities such as lithium, vanadium, or cobalt. The technology allows for low cost mass storage of energy and can be deployed into a wide range of applications.

Unlike conventional batteries, which have a fixed energy/power ratio, MGX Renewable's technology uses a fuel tank system that offers flexible energy/power ratios and scalability. The storage capacity is directly tied to the size of the fuel tank and the quantity of recharged zinc fuel, making scalability a major advantage of the flow battery system. In addition, a further major advantage of the zinc-air flow battery is the ability to charge and discharge simultaneously and at different maximum charge or discharge rates since each of the charge and discharge circuits is separate and independent. Other types of standard and flow batteries are limited to a maximum charge and discharge by the total number of cells as there is no separation of the charge, discharge and storage components. The MGX Renewables mission is to provide cost effective, long duration and reliable energy storage systems for markets involving renewables firming, peak shaving, diesel generator replacement, telecom facility back-up, electrification of ferries and tug boats and electric vehicle charging support.

MGX Renewables has also signed a Strategic Partnership Agreement with Braingrid Corporation ("Braingrid") to co-develop and market a packaged energy management product offering for the cannabis cultivation market. The partnership will leverage Braingrid's software and technology, which uses proprietary sensing and control hardware and MGX Renewable's modular energy storage systems, which provide scalable regenerative zinc-air flow battery for mass storage of energy, to provide cannabis cultivators with renewable solutions for cultivation. Braingrid is expected to begin trading on the Canadian Securities Exchange next week under the ticker symbol "BGRD".

About MGX Minerals Inc.

MGX Minerals is a diversified Canadian resource company with interests in advanced material and energy assets throughout North America. Learn more at www.mgxminerals.com.

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Legal Advisories

A market for MGX Renewables Shares may not sustainably develop following the completion of the Distributions. If a market for MGX Renewables Shares does not sustainably develop, MGX shareholders may have difficulty selling their MGX Renewables Shares and the market price for MGX Renewables Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's and MGX Renewables' control. If the MGX Renewables Shares are not accepted for listing on a recognized exchange then the Distribution may not occur.

Following the Distribution, the Company may own or control MGX Renewables Shares and that ownership or control may be material. As a result, the Company could have the ability to control or veto matters submitted to MGX Renewables' shareholders for approval. This may negatively affect the attractiveness of MGX Renewables to third parties considering an acquisition of MGX Renewables or cause the market price of the MGX Renewables Shares to decline. The interests of the Company may not in all cases be aligned with the interests of MGX Renewables' shareholders. In addition, the Company may have an interest in pursuing acquisitions, divestitures and other transactions that, in the judgment of its management, could enhance its equity investment, even though such transactions might involve risks to MGX Renewables' shareholders and may ultimately adversely affect the market price of the MGX Renewables Shares. So long as the Company continues to own, directly or indirectly, a significant amount of the MGX Renewables Shares, the Company may be able to strongly influence or effectively control MGX Renewables' decisions.

The Company does, from time to time, make investments in other companies and in its own research and development initiatives. As such, the Company may acquire interests in companies or otherwise develop businesses that directly or indirectly compete with all or certain portions of MGX Renewables' business or that are suppliers to, or customers of, MGX Renewables.

MGX Shareholders should consult their own tax advisors in respect of the Distribution.

Forward-Looking Information

This news release contains certain statements or disclosures relating to MGX that are based on the expectations of its management as well as assumptions made by and information currently available to MGX which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that MGX anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the word "will", "intend", "expect", "may" and other similar expressions.

In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: the Plan of Arrangement; the Distribution; the Meeting and related management proxy circular; the Subscription Receipt Offering, including the terms of the Subscription Receipts and Warrants; the structure of the Distribution; the market for the MGX Renewables Shares; the ownership and control of MGX Renewables Shares by the Company; and the Company's future plans and investment strategy.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of MGX including, without limitation: that MGX will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; availability of debt and/or equity sources to fund MGX's capital and operating requirements as needed; and certain cost assumptions.

MGX believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: general economic, market and business conditions; the Plan of Arrangement, Distribution and/or Meeting may not be completed

in the timelines anticipated, in the manner anticipated or at all; the Plan of Arrangement, Distribution and/or Meeting may not have the results currently anticipated by MGX; failure to obtain in a timely manner, shareholder, regulatory, stock exchange, court and other required approvals in connection with the Plan of Arrangement; the failure to realize the anticipated benefits of the Plan of Arrangement; increased costs and expenses; and certain other risks detailed from time to time in MGX's public disclosure documents including, without limitation, those risks identified in this news release, copies of which are available on MGX's SEDAR profile at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive and are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the CSE nor any Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

A photo accompanying this announcement is available at
<http://www.globenewswire.com/NewsRoom/AttachmentNg/18941ec1-a2ad-4ab9-8532-a3cecfbcbb8e>

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