

Bhang Inc., Formerly Pele Mountain Resources Inc., Announces Name Change, Share Consolidation and Settlement of Debt

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Toronto, May 27, 2019 - Bhang Inc., formerly known as [Pele Mountain Resources Inc.](#) (TSXV: GEM) (the "Corporation") announces today that, in connection with the business combination (the "Transaction") between the Corporation and Bhang Corporation, a privately-held Nevada corporation, previously announced in the Corporation's press releases dated June 19, 2018 and November 9, 2018, the Corporation has filed Articles of Amendment effective May 24, 2019, changing its name to BHANG INC. (the "Name Change") and consolidating the common shares of the Corporation, on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares (the "Consolidation"), and simultaneously re-designating such class of shares as subordinate voting shares (the "Subordinate Voting Shares") and created a new class of multiple voting shares (the "Re-designation of Shares").

No fractional shares shall be issued as a result of the Consolidation, and if any fractional share would otherwise result from the Consolidation, such fractional share shall be rounded down to the nearest whole share. Accordingly, the capitalization of the Corporation has been consolidated from 36,143,196 common shares issued and outstanding to approximately 3,613,976 subordinate voting shares issued and outstanding under the new name BHANG INC.

In connection with the Transaction, the Corporation received conditional approval on May 16, 2019 for the listing of the Subordinate Voting Shares on the Canadian Securities Exchange. In preparation for the closing of the Transaction, the Corporation shares have been delisted from the TSX Venture Exchange as of close of business on May 23, 2019.

In connection with the Transaction, the Corporation is also pleased to announce that it, through its wholly-owned subsidiary, Mountain Pass Resources Inc. ("Mountain Pass"), has re-transferred certain mining claims it originally acquired in south-eastern California, U.S.A. to Mountain Pass Rare Earths LLC ("MPRE") (the "MPRE Reconveyance") pursuant to a purchase agreement ("Purchase Agreement") among the Corporation, Mountain Pass and MPRE. As consideration for the MPRE Reconveyance, the Corporation paid to MPRE a cash payment of USD\$10,000 and issued an aggregate of 100,000 subordinate voting shares of the Corporation ("Subordinate Voting Shares") at a price of \$0.50 per Subordinate Voting Share. As further consideration for the MPRE Reconveyance under the Purchase Agreement, both the Corporation and MPRE have exchanged full and final mutual releases. The Company has also completed a dissolution of Mountain Pass.

In addition to the MPRE Reconveyance, the Corporation has also entered into and closed on additional debt settlement agreements (the "Debt Settlement") with certain creditors, all of which are related parties of the Corporation (collectively, the "Related Creditors"), providing for the settlement of approximately \$425,000.00 of its outstanding debts (the "Outstanding Debt"). Pursuant to the Debt Settlement, the Outstanding Debt will be settled through the issuance of an aggregate of 850,000 Subordinate Voting Shares at a price of \$0.50 per Subordinate Voting Share.

Martin Cooper, a director and President and CEO of the Corporation, will settle a total of \$60,000 in outstanding salary in exchange for 120,000 Subordinate Voting Shares; Forbes Andersen LLP, a partnership of which Paul Andersen, the Chief Financial Officer of the Corporation is the Managing Partner, will settle a total of \$97,180.00 in outstanding debt in exchange for 194,360 Subordinate Voting Shares; and WeirFoulds LLP, a law firm of which Steven Rukavina, a director and Secretary of the Corporation, is a partner, will settle a total of \$267,820 in outstanding debt in exchange for 535,640 Subordinate Voting Shares.

The participation in the Debt Settlement by the Related Creditors constitutes a "related party transaction" as such term is defined by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") under applicable securities laws. The Corporation is relying on exemptions from the MI 61-101 formal valuation and minority approval requirements applicable to related party transactions available as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Debt Settlement, insofar as it involves the Related Creditors, exceeds 25% of the Corporation's market capitalization at the time at which such transactions were agreed to. The participation by each Related Creditor in the Debt Settlement was approved by directors of the Corporation who are

independent of the Related Creditors.

The Subordinate Voting Shares issued pursuant to the MPRE Reconveyance and the Debt Settlement are subject to a statutory hold period of four months and one day from the closing date.

About Bhang Inc. (formerly, [Pele Mountain Resources Inc.](#))

The Corporation's shares are listed on the TSXV under the symbol "GEM". Management is focusing on seeking out strategic alternatives for the Corporation's to enhance shareholder value. For further information please contact Martin Cooper, Interim Chief Executive Officer and President, at 1-800-315-7353.

Cautionary Notes

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, such as statements that describe the Corporation's plans, objectives or goals, including words to the effect that the Corporation or management expects a stated condition or result to occur, are forward-looking information. In particular, this news release contains forward-looking information in relation to implementation, closing, terms, and expected results of the Settlement, and the Corporation's business objectives. This forward-looking information reflects the expectations and beliefs of management based on information currently available, and on assumptions that the Corporation believes are reasonable, including, without limitation, assumptions regarding completion of the MPRE Reconveyance and Debt Settlement. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Such risks and other factors may include, without limitation, delay or failure to receive regulatory approvals; capital market conditions and market prices for securities; general business, economic, competitive, political and social conditions; competition; changes in legislation, including environmental legislation, affecting the Corporation; the timing and availability of financing on acceptable terms, as well as the other risk factors described in the Corporation's disclosure documents filed on SEDAR at www.sedar.com. Readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained in this news release is expressly qualified by this cautionary statement. The Corporation undertakes no duty to update any such forward-looking information, except as required by law. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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