

U3O8 Corp. Announces Proposed Reverse Takeover Transaction with Diagnostic Lab Corporation, Inc.

03.03.2020 | [GlobeNewswire](#)

TORONTO, March 03, 2020 - [U3O8 Corp.](#) (NEX: UWE.H), (OTCQB: UWEFF) (“U3O8” or the “Company”) announces that it has entered into a binding Letter of Intent (“LOI”) dated March 2, 2020 with Diagnostic Lab Corporation, Inc. (“DLC”) whereby the business and assets of [U3O8 Corp.](#) and DLC will be combined by way of a share exchange between [U3O8 Corp.](#) and shareholders of DLC, constituting a “reverse-takeover” of [U3O8 Corp.](#) by DLC (the “Proposed Transaction”) under the policies of the TSX Venture Exchange (the “TSXV” or the “Exchange”).

General Information About U3O8 Corp. and DLC

DLC is a US-based Delaware private company that provides analytical testing services for the food safety, sanitation and agriculture industries and for environmental compliance. DLC has positioned itself as a consolidator of testing service companies within the US and Canada and has been in operation for six years establishing the platform from which it plans to engage in consolidation activities in four states in the USA under the management of current Chairman and CEO, Alan Hirsch.

DLC is seeking a listing in Canada through a RTO transaction with [U3O8 Corp.](#), as a means of boosting its growth and market share of the US\$11.5B, farm and agricultural testing market in the USA and Canada through a carefully constructed merger and acquisition plan that targets additional testing laboratories as well as environmental remediation and associated technology companies. In conjunction with seeking approval of the RTO by [U3O8 Corp.](#) shareholders, the Company will seek shareholder approval to change its name to Diagnostic Lab Corporation, Inc.

“I’m excited and incredibly proud of this milestone between [U3O8 Corp.](#) and DLC,” said Alan Hirsch, President and Chief Executive Officer of DLC. “I am eager to further expand DLC’s business operations in North America and increase our share in the expanding agricultural, water and food safety testing market.”

The Proposed Transaction and Trading Halt

The LOI includes a typical mutual non-solicitation and exclusivity provision. Each party to the LOI is responsible for its costs and expenses incurred with respect to the Proposed Transaction.

The Proposed Transaction is anticipated to be completed by way of share exchange. [U3O8 Corp.](#) currently has 23,043,436 common shares issued and outstanding. Assuming completion of the Proposed Transaction and, before any financing transactions, existing [U3O8 Corp.](#) shareholders will hold approximately 15% of the then issued and outstanding common shares in the capital of the Resulting Issuer (the “Resulting Issuer Shares”).

Subject to approval of the Shareholders, DLC has agreed to grant performance warrants to existing U3O8 shareholders as of the closing date. These performance warrants (“Performance Warrants”) will be a one-time grant to existing shareholders (the “Performance Warrant Grant”). Each such Performance Warrant shall entitle the holder thereof to receive one Common Share. The terms of issuance of these Performance Warrants will be determined by the Board of Directors of DLC.

DLC will advance U3O8 an interest-free bridge loan that will be used primarily to pay expenses relating to

the Proposed Transaction. In addition, DLC shall undertake a series of financings to fund the business on terms to be announced.

Assuming completion of the Proposed Transaction and before any financing transactions or warrant issuance a number of Resulting Issuer Shares representing 85% of the total Resulting Issuer Shares will be issued to DLC shareholders, and DLC will become a wholly owned subsidiary of [U3O8 Corp.](#)

A finder's fee shall be paid in connection with, and subject to the consummation of, the Merger in U3O8 Shares equal to 5.0% of the U3O8 Allocation, subject to the policies of the TSXV (*the "Finder Fee"*).

Trading in the [U3O8 Corp.](#) shares has been halted pursuant to the policies of the TSXV, and [U3O8 Corp.](#) expects that trading will remain halted pending the earlier of the completion of the Transaction and termination of the LOI. There can be no assurance that the definitive documentation will be successfully negotiated and signed or that the Transaction will be completed as proposed or at all.

[U3O8 Corp.](#) Shareholder Meeting

It is anticipated that [U3O8 Corp.](#) will at its Annual & Special Meeting of its shareholders, ask its shareholders to pass resolutions to: (i) approve the Proposed Transaction and issuance of the Resulting Issuer Shares; (ii) to approve the change of name of the Corporation to Diagnostic Lab Corporation, Inc.; and, (iii) approve the new equity incentive plan of the Company to take effect after completion of the Proposed Transaction (the "U3O8 Shareholder Meeting").

The shareholders of [U3O8 Corp.](#) will be required to approve the Proposed Transaction in accordance with the provisions of the *Business Corporations Act* (Ontario).

Management Team and Board of Directors

Upon completion of the Proposed Transaction, it is anticipated that all of the directors and officers of [U3O8 Corp.](#) other than one nominee director of U3O8 will resign and be replaced by nominees of DLC. Details regarding the anticipated directors and officers of the Resulting Issuer are set forth below. Additional directors or officers may be added to the board of directors or management of the Resulting Issuer in the normal course and once identified, information with respect to the proposed additional directors or officers will be included in a subsequent news release.

Alan Hirsch – President, CEO & Director

Mr. Hirsch has had an extensive 30-year career as an innovative entrepreneur as well as a Commercial and Investment Banker. He has created, built, and exited investments in sectors as diverse as financial services, retail food, and theme entertainment. He pioneered the creation of new asset classes in music and film royalties, was a direct lender funding \$650M in transactions, advised on numerous middle market M&A transactions and provided seed and start up financing for many development stage companies.

David McAdam - CFO

David is a highly effective, results oriented, executive, with over 30 years of finance and operations experience in large and small capitalization companies, David has extensive expertise in fund raising (equity and debt), financial/operational integration/optimization and measuring, financial planning and analysis (including annual budgets and rolling forecasts), mergers and acquisitions (buy and sell side), due diligence, investor relations (TSX.V and JSE), systems strategy, implementation oversight and management, risk management and regulatory compliance. David has been the CFO of several public and private companies including a number of public and private mining companies (one a Vancouver based TSX company with producing assets in South Africa and public reporting across the TSX-AIM-JSE). Other sectors include for-profit provider of English as a Second Language training to foreign students (Executive advisory and Investor Relations), a Fortune 150 waste management/recycling company (VP Ops and Director of Finance). David has a Bachelor of Commerce from the University of British Columbia and a Securities Institute of Canada Certificate.

Gary Herman – Director

Mr. Herman has many years of investment experience. Since 2005, Mr. Herman has managed Strategic Turnaround Equity Partners, LP (Cayman) and its affiliates. From January 2011 to August 2013, he was a managing member of Abacoa Capital Management, LLC, which managed, Abacoa Capital Master Fund, Ltd. focused on a Global-Macro investment strategy. Since 2005, Mr. Herman has been affiliated with Arcadia Securities LLC, a FINRA-registered broker-dealer in New York. From 1997 to 2002, he was an investment banker with Burnham Securities, Inc. From 1993 to 1997, he was a managing partner of Kingshill Group, Inc., a merchant banking and financial firm with offices in New York and Tokyo. He has served on the boards of public and private companies. Mr. Herman has a B.S. from the University at Albany with a major in Political Science and minors in Business and Music.

David Franklin – Director & Nominee of [U3O8 Corp.](#)

David Franklin is the CEO of Amera Securities LLC, a FINRA registered broker dealer, and responsible for business strategy and growth of the overall firm. David has a diverse business background including more than 15 years experience in the financial services industry. Previous to Amera Securities he spent the last six years at Sprott Asset Management in Toronto. David is an active member of the Board of Directors for several public and private companies in the medical, mining and financial sectors. David has an Honours Degree in Economics from Wilfrid Laurier University and holds a Chartered Investment Manager (CIM) designation in Canada.

Stephen Brenner – Director

Dr. Brenner is an Orthopedic Surgeon and specializes in problem trauma and fracture. He is one of the pioneers in arthroscopic surgery and worked with several manufacturers in developing new medical equipment. In his sports medicine practice, he served many professional teams and clubs. He has had an extensive academic and research career and has managed large multi-state orthopedic and physical therapy practices. He has been a wellness physician for over 20 years.

Additional Information Regarding the RTO Transaction

Further details of the RTO Transaction (including business and financial information in respect of DLC) and the proposed financings will be included in a comprehensive press release and other disclosure documents to be filed by U3O8 in connection with the RTO Transaction.

Conditions to Completion of the Proposed Transaction and Regulatory Matters

The parties to the Proposed Transaction are at arm's length and therefore it is anticipated that the Proposed Transaction will not be a "Non-Arm's Length Transaction" for the purposes of TSXV Policy 5.2 as none of the directors, officers or insiders of [U3O8 Corp.](#), or any of their respective associates or affiliates, own any securities of DLC.

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to:

1. Satisfactory due diligence by both of U3O8 and DLC;
2. The parties shall settle and enter into a definitive agreement;
3. [U3O8 Corp.](#) shareholders approving the Proposed Transaction;
4. U3O8 shall have not more than \$750,000 of indebtedness for which it shall propose a plan for settlement on terms reasonably acceptable to DLC;
5. the resignation of all directors and officers of U3O8 and appointment of new officers and director to be determined by DLC with one nominee of U3O8;
6. approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction, including TSXV acceptance; and
7. closing conditions customary in a transaction of this nature.

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 Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of [U3O8 Corp.](#) 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 press release.

The securities have not been, and will not be, registered under the U.S. Securities Act, or any U.S. state security laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable state securities laws or compliance with requirements of an applicable exemption therefrom. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About U3O8 Corp.

[U3O8 Corp.](#) is focused on exploration and development of deposits of uranium and battery commodities in South America. Battery commodities that occur with uranium resources include vanadium, nickel, zinc and phosphate. The Company's mineral resources estimates were made in accordance with National Instrument 43-101, and are contained in the following deposits:

- Laguna Salada Deposit, Argentina – a PEA shows this near surface, free-digging uranium - vanadium deposit has low production-cost potential; and
- Berlin Deposit, Colombia – a PEA shows that Berlin also has low-cost uranium production potential due to revenue that would be generated from by-products of phosphate, vanadium, nickel, rare earths (yttrium and neodymium) and other metals that occur within the deposit.

A PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the 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.

The Company also owns approximately 39% of South American Silica, a private company with frac sand properties in Uruguay.

All disclosure of a scientific or technical nature contained in this press release has been prepared and reviewed by Dr. Richard Spencer, President, CEO and Director, who is a registered Professional Geoscientist in Ontario (P. Geo) and is registered as a Chartered Geologist in the UK, and is a "Qualified Person" for the purposes of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

For further information, please contact:

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Cautionary Statements:

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that

certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: the terms and conditions of the Proposed Transaction, the pro forma capitalization of the Resulting Issuer, the anticipated type and number of securities to be issued thereunder, the U308 Shareholder Meeting, the DLC shareholder meeting (if required), the business and operations of DLC and the Resulting Issuer, the go-forward management of the Resulting Issuer and the trading of the Resulting Issuer Shares and the development of the Resulting Issuer's business and operations. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder, court or regulatory approvals. 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 the forward-looking statements and information contained in this news release. Except as required by law, U308 and DLC assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Neither the TSX Venture Exchange, Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has in any way passed upon the merits of the Proposed Transaction and associated transactions and neither of the foregoing entities has in any way approved or disapproved of the contents of this press 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 press release.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/346040--U308-Corp.-Announces-Proposed-Reverse-Takeover-Transaction-withDiagnostic-Lab-Corporation-Inc.html>

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