

# Duro Metals Inc. Announces Qualifying Transaction

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Edmonton, April 27, 2020 - [Duro Metals Inc.](#) (TSXV: DURO) (the "Corporation" or "Duro"), a capital pool company listed on the TSX Venture Exchange ("TSXV"), is pleased to announce details concerning its proposed qualifying transaction involving a proposed business combination with Kingfisher Resources Ltd. ("Kingfisher"). Kingfisher is a privately held company incorporated under the Business Corporations Act (British Columbia) ("BCCA") and operates as a junior mining exploration company with its primary property being the Ecstall Property (described below) located in the Skeena Mining Division, 56 km southeast of Prince Rupert, British Columbia.

Duro entered into a letter of intent with Kingfisher dated April 16, 2020 (the "Letter of Intent") pursuant to which Duro and Kingfisher agreed to complete a three cornered amalgamation (the "Transaction") whereby Duro will incorporate a new wholly owned subsidiary which will amalgamate with Kingfisher to form a new company. After giving effect to the Transaction, Duro will be the parent company (the "Resulting Issuer") and will conduct exploration activities via the subsidiary. Under the Letter of Intent, the parties will complete the following exchange of securities, at a deemed issue price of \$0.20 per common share, for an aggregate purchase price of \$2,810,380:

- each outstanding Kingfisher common share will be exchanged for 0.5 common shares of the Resulting Issuer ("Resulting Issuer Common Shares"), resulting in an aggregate issuance of 14,051,901 Resulting Issuer Common Shares; and

- each outstanding Duro common share will be exchanged for one Resulting Issuer Common Share, resulting in an aggregate issuance of 6,300,000 Resulting Issuer Common Shares.

It is intended that the Transaction, when completed, will constitute the qualifying transaction of the Corporation pursuant to Policy 2.4 of the TSXV Corporate Finance Manual. The Transaction is subject to the policies of the TSXV relating to qualifying transactions. Following completion of the Transaction, it is anticipated the Resulting Issuer will be classified as a junior mining exploration company. Duro anticipates a change of name to Kingfisher Metals Inc. with a trading symbol of ("KFR"), subject to requisite regulatory approvals. Duro shareholders previously approved a resolution authorizing the board to change the name of Duro at the discretion of the board and accordingly no further shareholder approval is required for the name change.

## About Kingfisher

Kingfisher is a private British Columbia corporation with its head office in Vancouver, British Columbia. It was incorporated on January 21, 2019 under the laws of the Province of British Columbia and is authorized to issue an unlimited number of common shares, of which 28,103,802 are issued and outstanding. To date, Kingfisher has raised C\$922,400 from various private placements which consisted of the issuance of 8,448,799 common shares.

Kingfisher owns a 100% interest in the Ecstall property (the "Property"), an early stage exploration property consisting of 28 mineral claims (25,017 hectares), located in the Skeena Mining Division, 56 km southeast of Prince Rupert, British Columbia. Highway 16 provides the nearest road access to the property and is located 19 km from the northern boundary of the Property. BC Hydro's 9.6MW Falls River Dam is located 7.5km west of the northern end of the Property.

The Property has seen a significant amount of historic work which began in the 1890's. The Property was further worked by various operators including [Falconbridge](#) and [Noranda](#) throughout the 1980's. Minimal exploration work has been completed on the Property since the mid 1990's. Kingfisher completed a three-phase exploration program in 2019 which consisted of rock sampling, soil sampling, and stream sediment sampling, in addition to a 1501 line kilometer airborne VTEM survey consisting of variable time domain electromagnetics and magnetics.

The survey was completed by Geotech Airborne, of Aurora, Ontario. The objective of ongoing exploration is the identification and discovery of substantial VMS (Cu, Au, Zn, Ag, Pb) deposits similar to the KZK deposit

in the Yukon Territory and the Arctic Deposit in Alaska. Results of the airborne geophysical survey indicate numerous electromagnetic conductors across the length of the 49km-long Property. Geochemical work in 2019 identified a new zone of mineralization, the "Shiner Zone", where ~400m of mineralization typical of VMS deposits was discovered following up on the geophysical survey.

The 2019 exploration program in addition to a review of historic data warrants future exploration to follow up on geophysical anomalies as well as further refining targets at the Shiner Zone. A \$200,000 program consisting of mapping and detailed rock sampling is recommended with potential future drill testing contingent on initial work.

To date, Kingfisher has spent approximately \$541,687 on exploration activities on the Property.

The technical information in this news release has been prepared by Christopher Dyakowski, P. Geo., the author of the Technical Report on the Ecstall Property, and a qualified person within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

### **Selected Financial Information about Kingfisher**

The following table sets out selected financial information from Kingfisher's audited financial statements as at December 31, 2019. The information provided herein should be read in conjunction with such financial statements, which will be included in the filing statement being prepared in connection with the Transaction and will be filed on [www.sedar.com](http://www.sedar.com) in due course.

	Year Ended December 31, 2019
Total Assets	\$1,118,919
Total Liabilities	\$18,215
Deficit	(\$69,421)
Working Capital	\$343,468
Revenues	Nil
Expenses	\$69,421
Net Earnings (Loss)	(\$69,421)

### **Summary of the Proposed Qualifying Transaction**

Pursuant to the Letter of Intent, and subject to the terms and conditions thereof, Duro and Kingfisher have agreed to complete the Transaction to form the Resulting Issuer. The Letter of Intent is the result of arm's length negotiations between Duro and Kingfisher.

Pursuant to the Letter of Intent, the parties have agreed to use their "commercially reasonable efforts" to cause Duro or Kingfisher to complete a private placement (the "Duro Private Placement") of a minimum of 2,500,000 units ("Units") at a price of \$0.20 per Unit per Common Share for gross proceeds of a minimum of \$500,000 to close concurrently with the Transaction. Each Unit shall consist of a Common Share and one Common Share purchase warrant ("Warrant"). Each whole Warrant shall entitle the holder to acquire one Common Share for \$0.25 within 24 months of closing, subject to acceleration. If, on any 5 consecutive trading days occurring after four months and one day has elapsed following the closing date, the closing sales price of the Common Shares (or the closing bid, if no sales were reported on a trading day) as quoted on the TSXV is greater than \$0.30 per Common Share, Duro may provide notice in writing to the holders of the Warrants by issuance of a press release that the expiry date of the Warrants will be accelerated to the 30th day after the date on which Duro issues such press release.

The parties acknowledge that Duro reserves the right to engage an agent (the "Agent") to act as agent on a "commercially reasonable efforts" basis for the Duro Private Placement and in connection therewith will pay a cash commission to the Agent in an amount to be determined. The proceeds of the Duro Private Placement will be used to fund the Transaction costs, the recommended work program on the Property, continuing operating expenses, and for general working capital purposes.

Upon completion of the Transaction and the Duro Private Placement, the Resulting Issuer will have approximately 22,851,901 issued and outstanding Resulting Issuer Common Shares, stock options entitling the holders thereof to purchase up to 2,285,190 Resulting Issuer Common Shares, and 270,000 agents options issued on closing of Duro's capital pool company offering.

The Transaction does not constitute a Non-Arm's Length Qualifying Transaction under Policy 2.4 and is not a

"related party transaction" as defined in Multilateral Instrument 61-101 and consequently Duro does not expect that it will be required to obtain any shareholder approvals. Jim Greig is a director of Kingfisher as well as a director of Duro and is a "Non-Arm's Length Party to the CPC" (as defined under Policy 2.4) as well as an insider of Kingfisher. There are no finder's fees payable pursuant to the Transaction.

### **Summary of Proposed Directors, Officers and Insiders**

Upon completion of the Transaction, the Resulting Issuer will continue to source technical, accounting, marketing and compliance capacity as a member of Metals Group. The Board of Directors will be reduced from six members to five. Duro's President and CEO, Sean Mager, will continue as director, CFO and Corporate Secretary for the Resulting Issuer. Duro's Chairman, John Williamson, will resign from the Board, but continue as an advisor. As a director in common between the companies, Jim Greig will remain on the Board. Kingfisher's Chairman Toby Pierce, CEO Dustin Perry, and President David Loretto will continue in their capacities with the Resulting Issuer. All other directors and officers for Kingfisher and Duro will resign and Kingfisher director Zach Flood will continue as an advisor. The respective Boards and Management of Duro and Kingfisher wish to thank the outgoing directors and officers for their service: John Williamson, Justin Bourassa, Jeremy Yaseniuk, Mike Dufresne, Zach Flood, Giuseppe Perone and Barry MacNeil.

The following sets out the names and backgrounds of all persons who are currently officers and directors of Duro and expected to be the officers and directors of the Resulting Issuer as well as the directors from Kingfisher who will be appointed as directors and officers of the Resulting Issuer.

#### ***Dustin Perry, CEO and Director***

Mr. Perry received a B.Sc Geology from the University of British Columbia and has 13+ years of experience as a registered professional geologist with the Association of Professional Engineers and Geoscientists of BC. He has worked on over 50 diverse exploration projects throughout British Columbia, the Yukon and Mexico.

#### ***David Loretto, President and Director***

Mr. Loretto is an exploration geologist and entrepreneur. He received a B.Sc (Hons) in Geological Sciences from Queen's University and was an exploration team member on the Brucejack deposit with [Pretium Resources Inc.](#) from 2011-2013. He currently serves as a Director for Interlapse Technologies Corp. and PLB Capital Corp..

#### ***Toby Pierce, Chairman and Director***

Mr. Pierce is a natural-resources executive with 20 + years of extensive transactional and valuation experience in deal sizes ranging from several million to \$1.3 billion in value. He is the current CEO of TAG Oil Ltd. and has a wealth of industry knowledge in mining, oil and gas operations, capital markets, investment banking, mergers and acquisitions. Mr. Pierce currently sits on the board of Benchmark Metals and is engaged in various other public and private mining ventures.

#### ***Jim Greig, Director***

Mr. Greig is currently President at Benchmark Metals Inc, an advanced high-grade gold and silver explorer in British Columbia, Canada. He holds an MBA from the University of Calgary and a BA Geography from Carleton University with over 20 years of experience in the resource sector, including advancement of the 5 million ounce Esaase Gold Project in West Africa as a member of mine development team at Keegan Resources Inc. (now [Asanko Gold](#)). Other resource sector engagements include the Hunter-Dickinson Group, Kennecott Canada, [Breakwater Resources Ltd](#), McIntosh Engineering and Stantec Engineering.

#### ***Sean Mager, CFO, Corporate Secretary and Director***

Mr. Mager has thirty years of experience in the management and governance of a wide range of private and public enterprises. He earned a Commerce degree (1989) from the Alberta School of Business and is well versed in all aspects of the junior mining industry. Since 1998, he has served as founder, promoter, president, vice-president, director, advisor, COO and/or CFO for numerous listed companies with mining interests in North and South America, Australia, Africa and Southeast Asia. He was an executive with Brilliant Mining Corp., which was twice recognized as a top-ten mining company with the TSX Venture 50TM award, a yearly ranking of public companies based on share price appreciation, trading volume, growth of market capitalization, analyst coverage and compliance. Mr. Mager currently serves as director and/or officer for five public companies: [Altiplano Metals Inc.](#), [Benchmark Metals Inc.](#), [Cortus Metals Inc.](#), Duro Metals Inc. (TSXV: DURO.P) and Mariner Resources Corp..

### **Information Concerning Duro**

Duro is a capital pool company listed for trading on the TSXV under the symbol "Duro.P". Duro currently has

6,300,000 Common Shares outstanding, stock options outstanding to acquire 630,000 Duro Common Shares at a price of \$0.125 per share. As at March 31, 2020, Duro had cash and near cash assets, net of liabilities, of approximately \$250,000.

### **Additional Information and Description of Significant Conditions to Closing**

The completion of the Transaction is subject to the approval of TSXV and all other necessary regulatory approval.

The completion of the Transaction is also subject to additional conditions precedent, including completion of the Duro Private Placement, satisfactory completion of due diligence reviews by the parties, execution of a definitive agreement, board of directors approval of Duro and Kingfisher, and certain other usual conditions.

When a definitive agreement between Duro and Kingfisher is executed, which is expected to occur shortly, in accordance with the policies of the TSXV, Duro will issue a subsequent press release containing the details of the definitive agreement and additional terms of the Transaction, including information relating to sponsorship and to the extent not contained in this press release, additional information with respect to the Property, the Duro Private Placement and pro forma share capital of the Resulting Issuer.

### **Filing Statement**

In connection with the Transaction and pursuant to the requirements of the TSXV, Duro will file a filing statement or a management information circular on its issuer profile on SEDAR ([www.sedar.com](http://www.sedar.com)), which will contain details regarding the Transaction, Kingfisher, the Property, Duro Private Placement, and the Resulting Issuer.

### **Sponsorship of Qualifying Transaction**

Sponsorship of a qualifying transaction of a capital pool company is required by the TSXV unless exempt in accordance with TSXV policies. Duro intends to apply for an exemption from the sponsorship requirements. There is no assurance that Duro will ultimately obtain an exemption from sponsorship.

### **Reinstatement to Trading**

Trading of Duro Common Shares will not resume until all documents required by the TSXV have been filed. Duro will issue a further news release when TSXV has received the necessary documentation and trading of Duro Common Shares is to resume.

### **For further information, please contact:**

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*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.*

### **Cautionary and Forward-Looking Statements**

*Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority 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 a capital pool company should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*

*Investors are cautioned that, except as disclosed in the Information Circular 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.*

*Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially. Neither Kingfisher nor Duro will update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors that could affect financial results is included in the documents filed from time to time with the Canadian securities regulatory authorities by Duro.*

*The securities of Duro being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.*

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