

Great Quest Fertilizer Ltd. Provides Corporate Update and Announces Resumption of Trading

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VANCOUVER, May 21, 2021 - [Great Quest Fertilizer Ltd.](#) (TSXV:GQ) ("Great Quest" or "the Company") is pleased to provide an update for shareholders on developments within the Company during the trading halt required by the Company's change of business ("COB") process. As announced on November 11, 2020, GQ has terminated the COB and will focus instead on the development of the Sanoukou Gold permit in Mali. The Company expects that its common shares will resume trading on the TSX Venture Exchange ("TSXV") on May 26, 2021.

Given the duration that the Company's common shares have been halted, the Company has provided the summary below for the benefit of its investors, highlighting the transactions and events that have occurred during the trading halt. Of particular importance, the Company will not be acquiring the shares of 1184700 BC Ltd nor will it be completing a concurrent financing. For more details regarding the termination of the COB, please see below under the heading "Summary and Clarifications of the Terminated Change of Business Transaction".

Meeting Continued Listing Requirements

Great Quest has submitted an application to renew the key exploration permit for its Sanoukou Gold Project ("Sanoukou" or the "Project") on February 5, 2021. The current permit for Sanoukou has expired. It was signed for an initial 3-year term plus extensions in November 2017 (see press released dated December 14, 2017) and is renewable for two additional 3-year terms to continue exploration and development at the site for up to 9 years inclusive of extensions. The time limit for examining the renewal request may not exceed 3 months from the date of filing of the request. In practice however, for various reasons including the travel of certain officials or certain unforeseen circumstances, this period may be extended by a few weeks.

Over the course of the second phase (2021-2024), future work will concentrate on a geophysical program with the goal of prospecting the areas between the continuous structures, and auger drilling of geophysical anomalies superimposed on geochemical anomalies. In the next three months, the Company will seek to raise capital for exploration at Sanoukou, and for the addition of new gold exploration properties by way of an equity capital raise. A minimum of C\$150,000 is required to complete the work planned on the property over the next twelve months.

Sanoukou Gold Project

In view of renewed interest in gold and gold exploration, Great Quest will renew its focus on the Sanoukou Gold project in southwestern Mali. This is a promising property that has long been considered one of the premier targets along Mali's Western Gold Belt. Significant high-quality exploration work has been done on the property and artisanal work completed in recent years has revealed evidence of extensive high-grade mineralization which indicates that there is potentially a substantive upside to past exploration.

In excess of US\$3 million has been invested in exploration work at Sanoukou; highlights of that work include drill hole SN02, completed by Great Quest (3.4m of 3.2 g/t gold drilled in 2011), and RAB18 (3m at 5.0 g/t gold), RAB53 (19m of 2.6 g/t gold drilled in 2006 by SOMIFIM). Great Quest completed a review of the geology exposed by artisanal work in recent years which indicated that prior drilling may have missed the main structures (see press release dated July 28, 2010). Sampling of the artisanal workings has shown some very high-grade results with 34 samples grading between 0.6 g/t and 24.9 g/t gold (see press release dated September 30, 2013).

Mr. Diner (P.Geol.) has approved the contents of this News Release in relation to the Sanoukou Project. Jed Diner (M.Sc., P.Geol.) is a Qualified Person (QP) pursuant to NI 43-101.

Tilemsi Phosphate Project

Great Quest will continue to advance the phosphate project with the help of Akon Legacy Ventures and private equity partners, however, any newly raised capital and the majority of management attention will be directed towards the Company's renewed focus on gold. This decision is in the best interests of the shareholders owing to investor perceptions regarding safety and the overwhelming market interest for gold in general and West African gold exploration, specifically. The efforts of international development agencies in the sphere of food security in Africa, combined with rising international phosphate prices, support the Company's long-held position that the phosphate asset will ultimately realize its true value. Our financing effort will focus on private equity and development capital rather than on the public markets.

Summary and Clarifications of the Terminated Change of Business Transaction

On September 13, 2018, the Company announced it had entered into a non-binding agreement to acquire Ivorienne Noix de Cajou SARL (Ivory Coast Cashew Nut Corporation, "INC"). The primary asset of INC is a 12,000 tonnes per year cashew processing facility near the capital Abidjan, Ivory Coast, West Africa. The facility was slated to begin processing and shelling nuts in March 2019. Great Quest had agreed to pay US\$3 million in consideration for INC, in two tranches, US\$1 million on closing of the transaction and US\$2 million on December 31, 2018. In return, Great Quest was expecting to receive a highly automated processing plant, 4,500 m² of warehouse space, on 6 ha of land in the Azagui industrial corridor 44km from the Port of Abidjan. In addition, Great Quest was going to assume approximately US\$9 million in bank debt, guaranteed by USAID. Upon closing of the transaction, Great Quest would own 80% of the project, 20% will be held by a local contributing partner, an experienced trader in agricultural products, also sourced locally.

On October 2, 2018, the Company announced that it had entered into arm's length binding agreement, effective September 14, 2018, to acquire the issued shares of INC (the "COB Transaction"). The definitive agreement was subject to certain conditions precedent. The COB Transaction was an arm's length acquisition of 100% of all the outstanding shares of INC for a total price of USD\$3M (the "Acquisition Price") and the assumption of INC's debt. On closing, the Company would have to pay USD\$1M to INC's shareholders (the "Vendors") and provide working capital of USD\$1M to INC. On or before December 31, 2018, the Company would have been required to pay the balance of USD\$2M to the Vendors. In addition, before closing of the COB Transaction, the Company was required to advance USD\$110,000 to INC, which would have been secured by the assets of INC, in order to pay some outstanding debts of INC. The Company confirms the USD\$110,000 advance was never paid by the Company.

On December 18, 2018, the Company announced that due to the timeline required for the regulatory approval process of the COB, it would not be able to close the COB Transaction on a timeline acceptable to the Vendors. The Company's board of directors therefore decided to transfer the Company's rights and obligations with respect to the COB Transaction to a private entity, 1184700 B.C. Ltd, wholly owned by Mr. Bruce McKean, who was at the time a director and shareholder of the Company and also holder of the three-year term convertible notes issued by the Company. The Company redeemed, pursuant to their terms, part of the convertible notes owned by Mr. McKean in the amount of \$2,510,262, which funded the first payment by 1184700 B.C. Ltd ("Privco") with respect to the closing of the acquisition of INC. Mr. McKean capitalized Privco using the cash he received from the Company from the convertible debenture redemption. Privco closed the acquisition of all of the shares of INC on November 8, 2018. The directors of Privco at the time of closing the transaction were Jed Richardson, current CEO and director of Great Quest, and David Shaw who is also a director of the Company. The operations of INC, which include the start-up operations of INC, were managed by the then management team of GQ under a management agreement between Privco and the Company. The management agreement included the provision to reimburse the Company for its costs in providing the services. A total of \$318,555 was reimbursed by Privco to the Company. INC also engaged a local contractor to assist in the start up of the plant.

On November 21, 2019, the Company entered into a non-arm's length binding agreement (the "Privco Definitive Agreement") pursuant to which it proposed to acquire all of the issued and outstanding shares of Privco (the "Privco COB Transaction"). Privco at the time was the beneficial shareholder of 80% of the issued shares of INC. The remaining 20% was owned by an arm's length local partner. The Privco COB Transaction would have constituted a "Change of Business" transaction pursuant to Policy 5.2 - Changes of Business and Reverse Takeovers of the TSXV.

The Privco Definitive Agreement was subject to, among other things, the approval of the TSXV and approval

from a majority of disinterested shareholders of the Company. The Privco COB Transaction was not an Arm's Length Transaction (as such term is defined in TSXV policies). Pursuant to the terms of the Privco Definitive Agreement, the Company had agreed to acquire the one outstanding share of Privco in consideration for one common share of the Company. It was a condition of closing that the Company enter into a debt settlement agreement with Mr. McKean pursuant to which the Company would concurrently issue to Mr. McKean 22,680,000 common shares of the Company (the "Debt Shares") at a deemed price of \$0.30/share to extinguish \$6,804,000 debt owed by Privco to Mr. McKean (the "Debt Settlement Transaction"). The debt represents cash loans personally made by Mr. McKean to Privco to further the acquisition of INC and the development of INC's business. Mr. McKean was also a director of the Company at the time the Privco Definitive Agreement was executed. Mr. McKean owned 5,443,300 common shares of the Company at such time. The issuance of the Debt Shares to Mr. McKean would have resulted in him owning a total of 28,123,301 common shares of the Company, representing approximately 22.31% of the then issued outstanding shares, thus creating a new Control Person under TSXV policies. The Company confirms that the Debt Shares were never issued to Mr. McKean.

On January 16, 2020, Bruce McKean resigned as a director of the Company and the management agreement between INC and Great Quest was terminated. As a result of the termination of the management agreement, Jed Richardson and David Shaw resigned from the board of directors of Privco. The deal was abandoned after unsuccessful attempts to complete a satisfactory audit, required by the TSX Venture exchange.

On November 4, 2020, the Company terminated the Privco COB Transaction pursuant to a (i) termination and mutual release agreement between Great Quest, Mr. McKean and Cajou Investment Holdings Inc. ("CIH"), (ii) loan forgiveness agreement between Great Quest, Mr. McKean and CIH (the "LFA"), and (iii) a share repurchase agreement, as amended, between Great Quest and Mr. McKean (the "SRA").

As consideration for the termination, (i) and pursuant to the SRA, the Company will repurchase 5,000,000 of its common shares from Mr. McKean for a nominal \$1, on the following schedule: (A) 3,113,488 shares have been repurchased and cancelled, and (B) 1,886,512 shall be repurchased and cancelled in thirteen months, and (ii) pursuant to the LFA, Mr. McKean and CIH grant the Company a full and final release from the outstanding remaining convertible debt (approximately \$490,000) and any and all other amounts owing by the Company to the transaction counterparties (approximately \$515,000). The Company's board of directors undertook reasonable investigations and reviewed the alternatives in considering and applying their judgment to approve the termination of the Privco COB Transaction and the settlement terms. As part of these deliberations, the directors determined that the aforementioned transactions were fair and reasonable and in the best interests of the Company. The termination of the Privco COB Transaction and the transactions contemplated by the LFA and the SRA were subject to the approval of the TSXV and such approvals have now been obtained.

About Great Quest

[Great Quest Fertilizer Ltd.](#) is a Canadian mineral exploration company focused on the development of African gold projects. The Company's flagship asset is the Sanoukou Gold Project, encompassing 24 km² located in the Kayes region to the West of Mali and developing the Tilemsi Phosphate Project a 1,206 km² parcel in northeastern Mali, containing high quality phosphate resources amenable to use as direct application fertilizer. Great Quest is listed on the TSX Venture Exchange under the symbol GQ, and the Frankfurt Stock Exchange under the symbol GQM.

ON BEHALF OF THE BOARD OF DIRECTORS OF [Great Quest Fertilizer Ltd.](#)

"Jed Richardson"
President, Chief Executive Officer and Director

For more information:

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This news release may contain forward-looking statements. These statements include statements regarding the resumption of trading of the Company's shares and the Company's future plans and objectives. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of factors discussed in the management discussion and analysis section of our interim and most recent annual financial statements or other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. We do not assume any obligation to update any forward-looking statements, except as required by applicable laws.

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