

Momentous Capital Corp. Announces Proposed Qualifying Transaction With Astra Exploration Limited

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VANCOUVER, June 7, 2021 - [Momentous Capital Corp.](#) (TSXV: MCC.P) ("Momentous" or the "Company") has entered into a binding letter of intent dated June 2, 2021, with Astra Exploration Limited, a company formed under the laws of the Province of British Columbia ("Astra"), whereby Momentous proposes to acquire all of the issued and outstanding securities of Astra (the "Proposed Transaction"). If completed, the Proposed Transaction would constitute an arm's length "Qualifying Transaction" for the Company, as such term is defined in Policy 2.4 – Capital Pool Companies ("Policy 2.4") of the Corporate Finance Manual of the TSX Venture Exchange (the "TSXV"). Upon successful completion of the Proposed Transaction, the Company will change its name to "Astra Exploration Limited", or such other name as agreed by the parties, subject to applicable regulatory approvals.

Upon successful completion of the Proposed Transaction, it is anticipated that the Company will be listed as a Tier 2 Mining issuer on the TSXV and will carry on the business of Astra. The Proposed Transaction is subject to compliance with all necessary regulatory and other approvals, including but not limited to approval of the TSXV, and certain other terms and conditions.

Astra's mineral exploration activities are focused on acquiring, exploring and developing a portfolio of precious metal-bearing epithermal projects within proven mineralized belts in northern Chile. Its flagship asset, Pampa Paciencia (the "Property"), is an 80% owned joint venture with mining company Sociedad Quimica y Minera (NYSE: SQM) and covers 21.4 square kilometers. The Property is located within the Paleocene metallogenic belt, known for its porphyry copper and epithermal precious metals deposits, including the former Faride gold-silver mine located 5 kilometers to the south of the Property. The Property is road-accessible and has and has power nearby.

Transaction Highlights:

- Momentous will acquire all of the issued and outstanding shares in the capital of Astra (the "Astra Shares"), the resulting issuer of which (the "Resulting Issuer") shall be a new publicly traded resource company with a focus on exploring and developing its portfolio of epithermal precious metals projects in northern Chile.
- The Resulting Issuer will be led by Brian Miller as CEO & Director, Diego Guido as Exploration Director, Roberto Alarcon Bittner as VP & Country Manager, Charles Funk, Darcy Marud, and David Caulfield as Directors, and Dr. Stuart Smith as Technical Advisor.
- Astra expects to close, on or before June 28, 2021, a concurrent private placement of Astra Shares for gross proceeds of a minimum of \$1,400,000 at a price of \$0.30 per share (the "Private Placement").
- The Resulting Issuer will have, on a fully-diluted basis, fewer than 23,000,000 shares in the capital of the Resulting Issuer ("Resulting Issuer Shares") outstanding after completing the Proposed Transaction.

Transaction Summary

It is currently anticipated that Momentous will acquire Astra by way of a three-cornered amalgamation, share exchange, plan of arrangement or other similar form of business combination transaction as agreed by the parties to ultimately form the Resulting Issuer. The final structure of the Proposed Transaction is subject to the receipt of tax, corporate and securities law advice for both Momentous and Astra. Upon completion of the Proposed Transaction, the Resulting Issuer will carry on the business of Astra. The parties have agreed that for the purposes of the Proposed Transaction, the valuation of Momentous will be \$795,000 and the valuation of Astra will be \$4,365,625 (prior to, and not inclusive of the Private Placement).

Pursuant to the Proposed Transaction, it is contemplated that the Company will consolidate its common shares on a two-for-one basis (the "Consolidation") whereby each holder of common shares in the capital of Momentous will receive one (1) post-Consolidation common share (a "Post-Consolidation MCC Share") for

each two (2) common shares held at the time of the Consolidation. Following the Consolidation, Momentous will have 2,650,000 Post-Consolidation MCC Shares issued and outstanding, as well as incentive stock options entitling the holders thereof to purchase an aggregate of 250,000 Post-Consolidation MCC Shares at a price of \$0.20 per share and broker warrants entitling the holder thereof to purchase 230,000 Post-Consolidation MCC Shares at a price of \$0.20 per share.

The Private Placement will be comprised of a minimum of 4,666,667 Astra Shares at a price of \$0.30 per share. A finder's fee may be payable on all or a portion of the Private Placement.

Pursuant to the Proposed Transaction: (i) holders of issued and outstanding Astra Shares will receive one (1) Post-Consolidation MCC Share for each one (1) Astra Share (the "Exchange Ratio") held by them; and (ii) all options and warrants convertible into Astra Shares shall be exchanged, based on the Exchange Ratio, for similar securities to purchase Post-Consolidation MCC Shares on substantially similar terms and conditions.

In connection with the Proposed Transaction, Momentous has entered into a finder's fee agreement (the "Finder's Fee Agreement") with an arm's length party (the "Finder") for the Finder's introduction of Momentous to Astra. Pursuant to the terms of the Finder's Fee Agreement, the parties have agreed, subject to the approval by the TSXV, to pay the Finder a fee of 500,000 Resulting Issuer Shares to be issued upon closing of the Proposed Transaction.

Upon completion of the Proposed Transaction and on an undiluted basis, it is expected that: (i) the former shareholders of Astra will hold approximately 71.1% of the Resulting Issuer Shares; (ii) the former shareholders of Momentous will hold approximately 9.8% of the Resulting Issuer Shares; (iii) the investors in the Private Placement will hold, assuming completion of the minimum Private Placement, 17.3% of the Resulting Issuer Shares; and (iv) the Finder will hold 1.8% of the Resulting Issuer Shares. On a pro-forma basis, it is anticipated that the Resulting Issuer will have approximately \$2 million in cash available upon the completion of the Proposed Transaction.

Closing of the Proposed Transaction will be subject to a number of conditions precedent, including, without limitation:

- a. completion of mutual satisfactory due diligence investigations of Astra and Momentous;
- b. approval of the Proposed Transaction by the boards of directors of Astra and Momentous;
- c. execution of a definitive agreement effecting the Proposed Transaction (the "Definitive Agreement");
- d. completion of the Private Placement;
- e. receipt of all regulatory approvals with respect to the Proposed Transaction and the listing of the Resulting Issuer Shares on the TSXV;
- f. approval of the Proposed Transaction by the Astra shareholders;
- g. approval of the new directors and the Consolidation by the Momentous shareholders; and
- h. confirmation of no material adverse change by Astra and Momentous.

It is anticipated that the Resulting Issuer will qualify as a Tier 2 Mining Issuer pursuant to the requirements of the TSXV.

The Proposed Transaction is not a Non-Arm's Length Qualifying Transaction, as such term is defined in the Policy 2.4 and consequently the Proposed Transaction will not be subject to approval by Momentous' shareholders.

Momentous intends to hold a meeting of its shareholders in order to pass resolutions approving among other things: (i) the appointment of a new slate of directors; and (ii) the Consolidation.

Trading in the common shares of Momentous has been halted, and will remain halted, pending the satisfaction of all applicable requirements of Policy 2.4 of the TSXV. There can be no assurance that trading of common shares of Momentous will resume prior to the completion of the Proposed Transaction. Further details concerning the Proposed Transaction (including additional financial and shareholder information regarding Astra) and other matters will be announced when a Definitive Agreement is reached.

Ray Harari, CEO and Director of Momentous stated: "Astra has done an amazing job thus far and we are excited to merge our team and capital markets expertise with Astra's capable management and promising

exploration properties to form a stronger entity with a better chance of success."

Information Concerning Astra

Astra is a privately-held mining exploration company with its head office in Vancouver, British Columbia. Astra currently has 14,552,085 common shares issued and outstanding. There are no persons holding a controlling interest in Astra.

Astra's CEO, Brian Miller stated: "This is an exciting step for Astra. The people at Momentous have demonstrated themselves to be capable and efficient. Their capital markets knowledge, network, and their ability to execute are hallmark characteristics of what will contribute to Astra's success. We are looking forward to partnering with such a talented and ambitious group."

Astra's Pampa Paciencia property is crossed by multiple low sulphidation epithermal veins. Historical work on the Property by three previous companies includes mapping and sampling, ground magnetic and CSAMT geophysical surveys, trenching, and 3,209 metres of diamond and reverse circulation drilling in 19 drill holes. Historical assay results of 508 surface rock-chip and boulder samples gave values ranging from trace to 93 grams per tonne of gold in a surface boulder sample. Historical trenching and systematic channel sampling gave 845 assays ranging from trace to 7.73 grams per tonne gold and 162.12 grams per tonne silver over 5 metres in trench TRP15-003. Drilling returned values ranging from trace to several grams per tonne gold, including 7.71 grams per tonne gold and 46.58 grams per tonne silver over 3.75 metres in drillhole PP15-007. (Readers are cautioned that insufficient QA/QC data is available to independently verify the historical assay results. Historical trench and drill hole widths are reported as apparent widths.)

Management of Astra believe that the vein system at the Property remains underexplored. Earlier work focused on only a small fraction of the known strike length. All sections remain open at depth and along strike. Additionally, several known outcropping veins on the Property remain unmapped and untested, and evidence suggests a well-preserved epithermal vein system. Astra is planning a comprehensive exploration program on the Property later this year which will include detailed geological mapping, geophysics, and drill-testing the known mineralized veins and additional new targets.

Selected Financial Information of Astra

The following table sets out historical financial information of Astra, in each case, for the periods ended and as of the dates indicated. The selected financial information of Astra has been derived from the unaudited consolidated financial statements of Astra for the period ended from incorporation on August 24, 2020 to March 31, 2021:

Balance Sheet Account	As at March 31, 2021
	(\$)
Current Assets	523,715
Total Assets	523,715
Total Liabilities	163,775
Total Shareholder's Equity	359,960

Income Statement	Period ended March 31, 2021
	(\$)
Revenue	Nil
Total Expenses	241,290
Net Income (Loss)	(241,290)
EBITDA	Nil

On March 31, 2021, Astra closed a non-brokered private placement of 1,631,250 Astra Shares at a price of \$0.20 per share for aggregate gross proceeds of \$326,250. On May 13, 2021, Astra issued 5,820,834 Astra Shares to Arena Minerals for its interest in the Property. Astra currently has 14,552,085 issued and outstanding Astra Shares and a total of 23 shareholders with management and directors owning approximately 43% of the issued and outstanding Astra Shares. Astra currently has a cash balance of approximately \$281,000 with no debt.

Management and Board of Directors of the Resulting Issuer

Upon completion of the Proposed Transaction, it is expected that all the directors and officers of Momentous will resign and be replaced by nominees of Astra. The following sets out the names and backgrounds of all persons who are expected to be appointed as officers and directors of the Resulting Issuer:

Brian Miller, CEO and Director. Brian has over seven years of experience in mining and exploration and was formerly CFO and VP Business Development at Kiska Metals Corp. His experience includes operations, business development, M&A, asset valuation, and capital markets.

Mahesh Liyanage, CFO. Mahesh is a Chartered Professional Accountant with over 20 years of experience across diverse industries. He is the former CFO of Orogen Royalties Inc. and Mirasol Resources Ltd. He is currently CFO of Vizsla Silver Corp. and owns a full-service accounting firm where he provides accounting and CFO services to multiple public companies.

Charles Funk, Director. Charles has over 13 years of experience in the mining industry with junior exploration and major mining companies. He is currently Technical Director at Vizsla Silver Corp. where he led the discovery of the Napoleon prospect at the Panuco gold-silver project, and is also the CEO of Heliostar Metals Ltd.

Darcy Marud, Director. Darcy led exploration teams involved in El Peñón and Mercedes mine discoveries. He has over 35 years of experience in mining and exploration, including executive roles at Meridian Gold Inc. and Yamana Gold Inc.

David Caulfield, Director. David has over 35 years of experience in the exploration industry. Co-founder of Equity Engineering Ltd., Rimfire Minerals Corporation (now Kiska Metals Corporation), and C3 Alliance Corp. Dave has a deep professional network and has served in multiple volunteer capacities including President of Association for Mineral Exploration of British Columbia (AME BC), a non-profit association that advocates a healthy and environmentally sound exploration and mining sector in British Columbia and Vice Chair of Geoscience BC.

Private Placement

Pursuant to the Proposed Transaction, Astra intends to complete the Private Placement. Net proceeds of the Private Placement will be used to develop the business of Astra (or following the completion of the Proposed Transaction, the business of the Resulting Issuer), and for working capital and general corporate purposes. All securities issued in connection with the Private Placement will be subject to a four month statutory hold period in accordance with applicable securities laws.

Sponsorship

The Proposed Transaction is subject to the sponsorship requirements of the TSXV unless an exemption from those requirements is granted. The Company intends to apply for an exemption from the sponsorship requirements; however, there can be no assurance that an exemption will be obtained. If an exemption from the sponsorship requirements is not obtained, a sponsor will be identified at a later date. An agreement to act as sponsor in respect of the Proposed Transaction should not be construed as any assurance with respect to the merits of the Proposed Transaction or the likelihood of its completion.

Name Change

Upon completion of the Proposed Transaction, the Company intends to change its name to "Astra Exploration Inc." or such other name as Astra may determine, and the parties expect that the TSXV will assign a new trading symbol for the Resulting Issuer.

Qualified Person Statement

The technical data and information as disclosed in this report has been reviewed and approved by David Hopper. Mr. Hopper is a Chartered Geologist of the Geological Society of London, and is a qualified person as defined under the terms of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

About the Company

The Company is a "Capital Pool Company" within the meaning of the policies of the TSXV that has not

commenced commercial operations and has no assets other than cash. The current directors and officers of the Company consists of Ray Harari (Director & CEO), Philip Luong (CFO & Corporate Secretary), Matt Murphy (Director), Alvaro Yanez (Director) and Darren Collins (Director).

Cautionary Statement Regarding Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as "may", "will", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "proposed", "estimate", "believe" or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions "may", or "will" happen. Forward-looking information contained in this press release includes, without limitation, expectations regarding entry into a Definitive Agreement, the terms of the Proposed Transaction, the satisfaction of conditions to closing of the Proposed Transaction, and expectations for other economic, business, and/or competitive factors.

Forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. While management of Momentous considers these assumptions to be reasonable based on information currently available, there is no assurance that such expectations will prove to be correct. By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information include: the ability to consummate the Proposed Transaction; the ability to obtain requisite regulatory and security holder approvals and to satisfy other conditions to the consummation of the Proposed Transaction on the terms and at the times proposed; the impact of the announcement or consummation of the Proposed Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; changes in government regulation and regulatory compliance; and the diversion of management time on the Proposed Transaction. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information.

The forward-looking information contained in this press release is stated as of the date of this press release, and Momentous does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Unless otherwise indicated, all references to "\$" or "dollars" refer to Canadian Dollars.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to Exchange Requirements (as that term is defined in policies of the TSXV), majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed 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 the Company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release. Neither TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

This press release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities described herein in the United States. The securities 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 within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

SOURCE Momentous Capital Corp.

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