

Edison Lithium Spin-Out of Cobalt Assets

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Vancouver, May 19, 2022 - [Edison Lithium Corp.](#) (TSXV: EDDY) (OTCQB: EDDYF) (FSE: VV00) ("Edison" or the "Company") is pleased to announce that its Board of Directors has unanimously approved a proposed spinout of its cobalt assets in northeastern Ontario, referred to as the Kittson Cobalt Property (the "Spin-Out"), into a newly incorporated subsidiary ("SpinCo"). The Company will continue to hold its interest in the Antofalla Salar and Pipanaco Salar lithium projects in Argentina.

It is proposed that the Spin-Out will be carried out by way of statutory plan of arrangement (the "Arrangement") pursuant to the Business Corporations Act (British Columbia). Common shares of SpinCo (the "SpinCo Shares") will be distributed to shareholders of Edison on the basis of one SpinCo Share for every one common share of Edison held. There will be no change in Edison shareholders' holdings in the Company as a result of the Spin-Out. If the Spin-Out is completed, shareholders will own shares in both companies - Edison, which will be focused on its Argentinian lithium brine projects, and SpinCo, which will be focused on cobalt exploration in Canada. The Company expects the Spin-Out will increase shareholder value by allowing capital markets to ascribe value to the Kittson Cobalt Property independent of the Company's lithium properties and by providing management focus and concentration.

The proposed Spin-Out will be subject to the terms of an arrangement agreement between Edison and SpinCo, the approval of shareholders at a meeting of Edison shareholders, the approval of the British Columbia Supreme Court and the approval of the TSX Venture Exchange (the "Exchange").

The Company intends to seek a listing of the SpinCo Shares on the Exchange but no assurance can be provided that such a listing will be obtained. Listing will be subject to SpinCo fulfilling all of the requirements of the Exchange.

Nathan Rotstein, Chief Executive Officer of Edison comments, "It is our intention to build shareholder value by providing investors with an ownership stake in two separate specialized companies. Both companies will be in the hot battery metals sector. Each company will operate as a separate entity and will enjoy distinction in the exponential growth of the EV market."

In connection with the Spin-Out, the Company intends to undertake a private placement ("Private Placement") of up to 60,000,000 subscription receipts ("Subscription Receipts", and each a "Subscription Receipt") priced at \$0.05 per Subscription Receipt in order to raise gross proceeds of up to \$3,000,000 (the "Escrowed Proceeds"), which will be held in escrow subject to the satisfaction or waiver of certain customary escrow release conditions (the "Escrow Release Conditions"). Each Subscription Receipt will entitle the holder thereof to receive, upon conversion and without any further action on the part of such holder or payment of any additional consideration, one unit of SpinCo (a "Unit"), with each Unit comprised of one (1) SpinCo Share and one common share purchase warrant (each, a "Warrant"). Each Warrant shall be exercisable into one (1) SpinCo Share at an anticipated exercise price of \$0.08 per SpinCo Share, for an exercise period of two years. The conversion of the Subscription Receipts will be subject to the satisfaction or the Escrow Release Conditions, including the closing of the Arrangement and the listing of the SpinCo Shares on the Exchange, on or prior to a date to be determined (the "Outside Date"). Upon the satisfaction or waiver of the Escrow Release Conditions, the Escrowed Proceeds would be released to SpinCo. Upon receipt thereof, SpinCo is expected to use the Escrowed Proceeds to fund exploration of the Kittson Cobalt Property and for general working capital, including, potential future acquisitions. In the event that the Escrow Release Conditions are not satisfied prior to the Outside Date, the Escrowed Proceeds would be returned pro rata to each holder of Subscription Receipts, and the Subscription Receipts will be automatically cancelled, void and of no value or effect. The Subscription Receipts and the SpinCo Shares and Warrants issuable in exchange for the Subscription Receipts will be subject to a four-month statutory hold period expiring four months and one day from the closing date of the Private Placement.

Further details of the Spin-Out and the related Private Placement will follow by additional press releases. Timing of the Spin-Out and Private Placement will be based on prevailing market conditions. The particulars

of the Spin-Out and related Private Placement are not yet final and shareholders are cautioned that there can be no assurance that the Spin-Out and Private Placement will be completed on the terms described herein or at all.

About the Kittson Cobalt Property

The Kittson Cobalt Property includes three historical producing Co-Ag mines, namely the Kittson-Cobalt Mine, Shakt-Davis and Edison (also known as Darby) Mine. These mines, unlike those in the nearby Cobalt silver camp, were developed primarily for their cobalt content, and interestingly possessed significant gold content (locally >1 oz/ton).

To view the National Instrument 43-101 compliant technical report titled "Technical Report on the Kittson-Cobalt Property" with a report date of June 9, 2021, and an effective date of July 16, 2021, as prepared by SGS Geological Service and GeoVector Management Inc. (the "Technical Report"), please visit Edison's website at www.edisonlithium.com. The Technical Report is also available under the Company's profile on SEDAR (www.sedar.com).

About the Antofalla Salar and Pipayaco Salar Lithium Projects

In 2021, Edison acquired Resource Ventures S.A., an Argentinian corporation that owns or controls the rights to over 148,000 hectares (365,708 acres) of prospective lithium brine claims in the province of Catamarca, Argentina. The claims are principally located in the two geological basins known as the Antofalla Salar and the Pipayaco Salar in South America's famed Lithium Triangle.

The Antofalla Salar hosts one of the largest lithium-bearing basins in the region. It is over 130 km long and varies between 5 km and 20 km across. The Company's assets in and around the Antofalla Salar are made up of approximately 107,000 hectares (264,397 acres) of semi-contiguous claims in the northern and southern parts of this salar.

The Company's claims in the Pipayaco Salar consist of over 41,000 hectares (101,311 acres) of core areas in this salar. These properties are in the very early stages of exploration with minimal surface samples having been collected to date.

About Edison [Lithium Corp.](#)

[Edison Lithium Corp.](#) is a Canadian-based junior mining exploration company focused on the procurement, exploration and development of cobalt, lithium, and other energy metal properties. The Company's acquisition strategy is based on acquiring affordable, cost-effective, and highly regarded mineral properties in areas with proven geological potential. Edison is building a portfolio of quality assets capable of supplying critical materials to the battery industry and intends to capitalize on and have its shareholders benefit from the renewed interest in the battery metals space.

On behalf of the Board of Directors:

"Nathan Rotstein"
Nathan Rotstein
Chief Executive Officer and Director

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Forward-Looking Disclaimer: This news release contains certain forward-looking statements. Statements that are not historical facts, including statements about Edison's beliefs and expectations, are forward-looking

statements. Forward-looking statements involve inherent risks and uncertainties and a number of factors could cause actual results to differ materially from those contained in any forward-looking statement. In some cases, forward-looking statements can be identified by words or phrases such as "may," "will," "will be", "expect," "anticipate," "target," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "proposes", "contemplates", "is/are likely to" or other similar expressions. All information provided in this news release is as of the date of this news, and the Company undertakes no duty to update such information, except as required under applicable law.

Forward-looking statements in this press release relate to, among other things: the incorporation of SpinCo, completion of the proposed Spin-Out, the completion of the proposed Private Placement, the Company maintaining its interest in the Antofalla Salar and Pipanaco Salar properties, distribution of SpinCo Shares to Edison shareholders and the basis of such distribution, no changes occurring to Edison shareholders' holdings, the receipt of required shareholder, court, stock exchange and regulatory approvals for the Spin-Out and Private Placement, listing of the SpinCo Shares on the Exchange, increases to shareholder value as a result of the Spin-Out, the timing of the Spin-Out and related Private Placement transactions, and the timing of additional details concerning the Spin-Out and Private Placement. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections of management on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: determination of acceptable terms for the proposed Spin-Out, receipt of all required shareholder, court, stock exchange and regulatory approvals for the Spin-Out; changes in the value of the Kittson Cobalt, Antofalla Salar, and Pipanaco Salar properties; fluctuations in the securities markets, commodity pricing and the market price of the Company's common shares and CSE approval for listing of the SpinCo Shares. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Except as required by law, the Company does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

We seek Safe Harbour.

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