

AMV Capital Corporation to Acquire Key Lake South Uranium Project Pursuant to a Reverse Takeover

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VANCOUVER, Sept. 14, 2022 - [AMV Capital Corporation](#) (AMV: TSX-V) (“AMV” or the “Company”) announces that it has entered into an arm’s length non-binding letter of intent on September 13, 2022 (the “LOI”) with a private Saskatchewan corporation (“SaskCo”) controlled by Dawn Zhou pursuant to which SaskCo is to sell to AMV a 100% right, title and interest in and to the mineral claims (the “Claims”) which comprise the Key Lake South Uranium Project located in the southeastern Athabasca Basin Region in Saskatchewan (the “KLS Project”) for and in consideration of 25,639,288 common shares of AMV, representing 66.7% of the issued and outstanding shares of AMV post-closing and pre-financing (the “Transaction”). The Transaction is to constitute a “reverse takeover” pursuant to the policies of the TSX Venture Exchange (the “Exchange”) and is subject to receipt of Exchange acceptance.

The KLS Project

The KLS Project is located approximately 15 kilometers from the Key Lake mill which processes ore from Cameco Corp.’s (TSX: CCO; NYSE: CCJ) McArthur River uranium mine. The KLS Project consists of 12 contiguous claims (23,977 hectares or approximately 240 sq. km) which were staked in 2012 and which have been held and explored by SaskCo since then. Provincial Highway 914, a north-south all-weather highway in Saskatchewan, crosses the KLS Project.

<https://ml.globenewswire.com/Resource/Download/bc7a3893-60f5-4707-8d01-d94014da0f6f>
Figure 1. Mineral Claim Map of the Key Lake South Uranium Project

The KLS Project is underlain by the prospective uranium hosting Wollaston-Mudjatik contacting zone (WMCZ) in the southeastern Athabasca Basin.

<https://ml.globenewswire.com/Resource/Download/0f80ff15-6ee4-4373-8763-80b1569291d7>
Figure 2. Total Magnetics, EM conductors, and Known Uranium Deposits of Key Lake

The world’s largest high-grade uranium deposits are associated with the unconformity between the Athabasca Basin and the Wollaston-Mudjatik basement. Most of the uranium occurrences and deposits the Athabasca Basin are located near the boundary between the Mudjatik and Wollaston domains as either unconformity-type or basement-hosted type. The KLS Project is located in the southern strike extent of these deposits and in the same regional low-mag structure that hosts them. Uranium mineralization at the KLS Project shows characteristics of both unconformity-type and basement-hosted deposits.

Considerable exploration activity by multiple operators has occurred on the KLS Project prior to SaskCo acquiring ownership of the property. Various compilation reports and interpretations of historical data were undertaken by SaskCo, both in-house and by independent consultants, in 2011, 2012, and 2013, resulting in identifying target areas and recommendations for future exploration work. SaskCo carried out airborne and ground geophysical results, geological mapping, soil and lake sediment geochemical surveys, and overburden and diamond drill programs. Field programs, including geological mapping, soil geochemical surveys, lake sediment surveys, radon-soil-surveys and airborne and ground gravity surveys, were conducted by SaskCo in 2014, 2015, and 2016.

SaskCo carried out a diamond drilling program in 2016 to test geological features interpreted by the previous exploration data, including the 2014 surveys of HeliFALCON Airborne Gravity Gradiometer Survey, EM surveys, geochemistry surveys, and geological mapping. Two separate drilling programs were conducted in the winter and the summer. In 2016, a total of 4,550 metres were drilled comprising 26 NQ holes in two target areas: 15 holes totalling 2,742 metres in the Campbell Creek area and 11 holes totalling 1,809 metres in the Mustang Ridge area where SaskCo discovered intersections of U3O8 up to 0.25% over 0.2m. In 2022, Condor Consulting Inc. has been engaged in further interpreting and modelling available geophysical survey data to assist with SaskCo in house geologist team for structural analysis, targeting priorities areas and drillhole detail planning. In August, 2022, SaskCo submitted a 2023 winter drilling permit application to the Government of Saskatchewan.

Key Terms of the Transaction and Related Financing

The key terms of the Transaction and related financing are as follows:

(1) SaskCo is to sell to AMV 100% of its right, title and interest in and to the Claims for and in consideration of 25,639,288 common shares ("Resulting Issuer Shares") of AMV (which post-closing will be referred to as the "Resulting Issuer"), representing 66.7% of the Resulting Issuer Shares before completion of the Financings (as defined below).

(2) A British Columbia company to be initially wholly-owned by Dawn Zhou ("FinCo") is to complete a non-brokered private placement of a minimum of 2,222,222 subscription receipts (the "Subscription Receipts") at and for a price of CAD\$0.45 per Subscription Receipt to raise a minimum of CAD\$1,000,000 (the "Offering"), with each Subscription Receipt to be automatically exchanged, for no additional consideration and without any further action, upon satisfaction of certain escrow release conditions (the "Escrow Release Conditions") and upon completion of the Amalgamation (as defined below), into one unit of the Resulting Issuer (a "NFT Unit"), with each NFT Unit to be comprised one (1) Resulting Issuer Share (an "Underlying Share") and one-half ($\frac{1}{2}$) of a share purchase warrant of the Resulting Issuer (each whole warrant, a "NFT Warrant"), subject to adjustment. Each NFT Warrant will entitle the holder to acquire one Resulting Issuer Share (a "NFT Warrant Share") at a price of CAD\$0.60 per share for a period of two years.

(3) SaskCo will arrange a CAD\$2,000,000 flow-through private placement (the "Flow-Through Private Placement" and collectively with the Offering, the "Financings") involving the sale of 4,000,000 units of the Resulting Issuer (the "FT Units") at a price of CAD\$0.50 per FT Unit, with each FT Unit to be comprised of one (1) Resulting Issuer Share issued on a flow-through basis (a "FT Share") and one-half ($\frac{1}{2}$) of a NFT Warrant. The Flow-Through Private Placement would close immediately following the closing of the Transaction.

(4) The gross proceeds of the Offering, less any finder's fee paid, will be deposited and held in escrow (the "Escrowed Funds") and released to the Resulting Issuer upon the satisfaction of certain conditions including, but not limited to:

- (a) receipt of conditional approval of the Exchange to the Transaction;
- (b) board and shareholder approvals of the Transaction, as applicable;
- (c) no material breach or default by SaskCo;
- (d) completion of the Flow-Through Private Placement to raise no less than CAD\$2,000,000; and
- (e) all conditions precedent to the completion of the Transaction being satisfied.

In the event that the Escrow Release Conditions are not satisfied on or before December 31, 2022, or such later date as may be agreed between AMV and SaskCo, the Subscription Receipts will be cancelled and the Escrowed Funds, with accrued interest earned thereon (less any applicable withholding taxes and finder's fee paid), will be returned to subscribers.

(5) At closing of the Transaction, all of the issued and outstanding securities of FinCo will be acquired by AMV by way of a three-cornered amalgamation (the "Amalgamation") pursuant to which a British Columbia company to be a wholly-owned subsidiary of AMV ("MergeCo") will amalgamate with FinCo, and the holders of FinCo's securities will receive securities of the Resulting Issuer on a one-for-one basis pursuant to the terms of an amalgamation agreement to be entered into between AMV, FinCo and MergeCo.

(6) Immediately prior to the completion of the Transaction, the Subscription Receipts are to convert into units of FinCo, and FinCo will then amalgamate with MergeCo, following which the former holders of Subscription Receipts will be issued Underlying Shares and NFT Warrants, and all Subscription Receipts will be cancelled.

The net proceeds of the Financings will be used to fund a 2022/23 winter drilling exploration program on the KLS Project and for the Resulting Issuer's working capital and general corporate purposes. A cash finder's fee of 8.0% of the gross proceeds raised from the Financings may be paid, and upon closing of the Transaction, the Resulting Issuer will issue to finders broker warrants ("Broker Warrants") in such number equal to 8.0% of the Subscription Receipts or FT Units sold, as the case may be. Each Broker Warrant will entitle the holder to purchase one Resulting Issuer Share at a price of CAD\$0.60 per share for a period of two years.

AMV and SaskCo are to negotiate the terms of a definitive agreement (the "Formal Agreement") that will provide the basis upon which the parties will effect the Transaction, which the parties are to execute on or

before October 17, 2022 or such other later date as agreed to by the parties. Closing of the Transaction is to occur on or before December 31, 2022.

The Resulting Issuer

Upon completion of the Transaction, AMV intends to be classified and listed as a Tier 2 Mining Issuer on the Exchange and be involved in the business of exploration and development of the KLS Project in Saskatchewan. The Company's name is to be changed to "Abasca Resources Inc." after the closing of the Transaction. The board of directors of the Resulting Issuer (the "Board") will consist of five (5) directors, with Dawn Zhou, Qiang Sean Wang and Brett Kagetsu to serve on the Board and the remaining directors to be nominees of SaskCo. After the closing of the Transaction, the officers of the Resulting Issuer will be appointed by the Board and are expected to include Dawn Zhou as President and Chief Executive Officer and Sean Wang as an Executive Director.

Dawn Zhou, who is the founder and controlling shareholder of SaskCo, has a significant track record in mining and exploration. Ms. Zhou holds a Master of Sciences degree in Geology and a Canadian Chartered Public Accountant (CPA) designation. Ms. Zhou was the founder and Executive Chair of Athabasca Potash Inc. (TSX: API) ("Athabasca Potash"), which pioneered new potash project advancement in Saskatchewan in the early 2000's and brought one of its potash projects from an exploration permit to a mining lease. Athabasca Potash was acquired by BHP Billiton for \$341 million in 2010.

Upon closing of the Transaction, Dawn Zhou and Sean Wang are to be granted incentive stock options to purchase 850,000 and 600,000 Resulting Issuer Shares, respectively, for a five year term at a price to be set in the context of the market after closing in accordance with Exchange policies.

Some or all of the Resulting Issuer Shares to be issued to SaskCo may be subject to escrow pursuant to the requirements of the Exchange. In addition, the Resulting Issuer Shares to be issued pursuant to the Transaction will be issued pursuant to exemptions from prospectus requirements of applicable securities legislation and may be subject to resale restrictions under applicable securities laws.

Trading Halt

As required by the policies of the Exchange, trading of AMV's common shares has been halted in connection with the announcement of the Transaction. Trading will remain halted pending the satisfaction of the Exchange's initial filing requirements in respect of the Transaction and the Exchange's initial assessment of the transaction and related matters. Shareholders are advised that trading may remain halted until the Exchange provides its final acceptance to the Transaction.

Prior to the completion of the Transaction, AMV may be required to submit for review to the Exchange a filing statement (the "Filing Statement") pursuant to the policies and procedures of the Exchange. AMV will be required to include in the Filing Statement prospectus-level disclosure on the Resulting Issuer, including such audited and unaudited financial statements relating to the KLS Project as may be required by the Exchange.

Qualified Person

The technical information in this news release has been reviewed and approved by Dave Billard, P. Geo, a Qualified Person as set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects who is independent of AMV.

About AMV Capital Corporation

AMV is a mineral exploration company that is primarily engaged in the acquisition and evaluation of mineral exploration properties. The Company owns the Sage Property, an early-stage mineral exploration property near Kamloops, British Columbia. AMV's common shares trade under the symbol "AMV" on the Exchange.

For more information, please contact:

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CAUTIONARY STATEMENT

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 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 the Company should be considered highly speculative.

The TSX Venture 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.

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.

Forward-Looking Information

This news release contains "forward-looking information" (as such term is defined under Canadian securities laws), which includes a statement regarding the entering into of the Formal Agreement, and which information reflects the current expectations of management of both AMV and SaskCo. Forward-looking information involves significant known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking information. Should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking information contained in this release. Although the forward-looking information contained in this release are based upon what AMV believes to be reasonable assumptions, AMV cannot assure investors that actual results, performance or achievements will be consistent with the forward-looking information. The forward-looking information is made as of the date of this release and AMV assumes no obligation to update or revise them to reflect new events or circumstances, unless required by applicable law.

Photos accompanying this announcement are available at:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/5fab3df1-67d3-4fbb-80a4-edbc2b7b3fc2>

<https://www.globenewswire.com/NewsRoom/AttachmentNg/afd7a0c5-3903-4b65-9c52-fa720768e084>

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