

# Athabasca Minerals Inc. Enters into Agreement to be Acquired by JMAC Energy Services LLC and Enters into an Amended Loan Agreement

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Edmonton, September 21, 2023 - [Athabasca Minerals Inc.](#) (TSXV: AMI) ("Athabasca" or the "Corporation") announces that it has entered into a definitive arrangement agreement (the "Arrangement Agreement") with JMAC Energy Services LLC (the "Purchaser" or "JMAC") pursuant to which the Purchaser has agreed to acquire all of the issued and outstanding common shares of Athabasca ("Athabasca Shares"), other than Athabasca Shares already owned or controlled by the Purchaser, or persons or entities related to the Purchaser for cash consideration of \$0.145 per Athabasca Share (the "Purchase Price"). The proposed transaction (the "Transaction") is to be completed by way of a plan of arrangement under the Business Corporations Act (Alberta) (the "Plan of Arrangement"). Based on the closing price of the Athabasca Shares on the TSX Venture Exchange ("TSXV") on September 20, 2023, the last trading day prior to the announcement of the Transaction, the Purchase Price represents a 45% premium to the closing price of Athabasca Shares and a 45% premium over the volume-weighted average trading price of the Athabasca Shares on the TSXV for the last 20 trading days.

"We are pleased to announce this Transaction with JMAC. The Special Committee has diligently considered all potential offers, and options, for the Corporation and we believe that this Transaction provides the most advantageous outcome for the securityholders," said Dana Archibald, Chief Executive Officer of the Corporation.

## STRATEGIC RATIONALE

On March 28, 2023, Athabasca announced that its board of directors (the "Board"), together with the support of management, initiated a process to evaluate potential strategic alternatives to maximize shareholder value. As part of the process, the Board considered a full range of strategic alternatives, which included financing alternatives, merger, amalgamation, plan of arrangement, reorganization, other business combinations, sale of assets, or other transactions. Accordingly, the Board established a special committee of independent members of the Board (the "Special Committee") to explore opportunities to enhance shareholder value (the "Process").

The Corporation engaged Canaccord Genuity Corp. ("Canaccord") as the Corporation's financial advisor to, among other things, assist the Corporation in its review of potential strategic transactions. During the next several months, the Corporation, with the assistance of Canaccord, negotiated with a number of financial and strategic parties that might have an interest in participating in the Process, with the Corporation receiving a number of preliminary, non-binding indications of interest from a number of potential parties. In June 2023, the Special Committee met with Canaccord to receive an update on the negotiations with the potential parties. At that meeting, the Special Committee determined that it was in the best interests of the Corporation and its shareholders to engage in exclusive negotiations with JMAC.

The Corporation and JMAC, together with their respective legal and financial advisors, continued to engage in negotiations regarding the terms and conditions of JMAC's proposal and the definitive agreements necessary to consummate a transaction if agreed to, and JMAC continued its due diligence of the Corporation. The Special Committee met on several occasions to receive updates on the status of negotiations and on other matters relating to the Process and the proposed Transaction, and provided its advice and direction.

The Special Committee engaged Evans & Evans, Inc. ("Evans & Evans") in respect of the Transaction to provide an independent verbal fairness opinion (the "Fairness Opinion") that as at the date of the Arrangement Agreement, the consideration to be received by Athabasca shareholders pursuant to the Transaction is fair, from a financial point of view, to Athabasca shareholders. The Purchase Price is all cash and not subject to any financing conditions, which provides Athabasca shareholders with an immediate opportunity to realize full liquidity and certainty of value in cash for their investment in the Corporation. As

such, the Board determined that the Transaction is in the best interests of the Corporation and recommends that the Securityholders (as defined below) vote in favour of the Transaction.

#### THE ARRANGEMENT AGREEMENT AND APPROVALS

Under the Transaction, the Purchaser will acquire all of the issued and outstanding Athabasca Shares, other than Athabasca Shares already owned or controlled by the Purchaser, or persons or entities related to the Purchaser, in exchange for the payment to Athabasca shareholders of the Purchase Price for each Athabasca Share held. Athabasca will seek approval of the Transaction by its shareholders and holders of options (together, the "Securityholders") at a special meeting expected to be held on November 3, 2023 (the "Meeting").

In addition, as further described in the Plan of Arrangement:

1. each outstanding stock option of Athabasca that is "in-the-money" will be cancelled in exchange for a cash payment equal to the difference between the exercise price of such "in-the-money" Athabasca option and the Purchase Price;
2. each outstanding stock option of Athabasca that is "out-of-the-money" will be cancelled in exchange for a cash payment equal to \$0.01; and
3. each outstanding deferred share unit of Athabasca will be cancelled in exchange for the Purchase Price.

The Purchaser or persons or entities related to the Purchaser, own approximately 19.7% of the Athabasca Shares and Jon McCreary is a director of both Athabasca and JMAC. The Transaction is subject to approval by Securityholders at the Meeting, including the approval of at least: (a) two-thirds of the votes cast by the shareholders in person or represented by proxy at the Meeting; (b) two-thirds of the votes cast by the Securityholders in person or represented by proxy at the Meeting, voting together as a single class; and (c) a majority of the votes cast by shareholders in person or represented by proxy at the Meeting, after excluding the votes cast by those shareholders whose votes are required to be excluded in accordance with Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101").

The Transaction is subject to various closing conditions, including receipt of court approval, the required Athabasca Securityholder approval at the Meeting and certain regulatory approvals. Upon closing of the Transaction, the Athabasca Shares will be de-listed from the TSXV.

All of the directors and executive officers of Athabasca, including Jon McCreary, have entered into support agreements and have agreed to support the Transaction and vote an aggregate of approximately 23% of the outstanding Athabasca Shares in favour of the Transaction, subject to the provisions of such support agreements.

The Arrangement Agreement includes representations, warranties and covenants typical of a transaction of this nature, including with respect to non-solicitation, a right to match and a fiduciary out. In addition, Athabasca has agreed to pay a termination fee or expense reimbursement fee to the Purchaser upon the occurrence of certain events.

Further details with respect to the Transaction will be included in the information circular to be mailed to the Securityholders in connection with the Meeting. The Meeting is expected to be held on November 3, 2023 with closing of the Transaction to occur soon thereafter upon satisfaction of all conditions precedent. A copy of the Arrangement Agreement and the information circular will be filed on Athabasca's SEDAR+ profile and will be available for viewing at [www.sedarplus.ca](http://www.sedarplus.ca).

#### RECOMMENDATION OF THE BOARD

Based on the Fairness Opinion provided by Evans & Evans and the recommendation of the Special Committee, and after consulting with its financial and legal advisors, among other considerations, the Board has unanimously (excluding directors that have abstained in accordance with applicable law): (i) determined that the Arrangement and the entry into the Arrangement Agreement are in the best interests of Athabasca; and (ii) resolved to recommend that the Securityholders vote in favour of the Transaction.

#### LOAN AMENDING AGREEMENT

Athabasca also announced it entered into an amended credit agreement ("Second Amending Agreement")

for the amendment of the secured bridge loan of \$2,000,000 (the "Loan") from JMAC, as previously announced and entered into on February 28, 2023 and first amended and announced on June 30, 2023.

The Second Amending Agreement amends the Loan to mature on November 30, 2023, the outside date in the Arrangement Agreement, but may be prepaid in whole or in part at any time with not less than five days prior notice. No bonus securities will be issued in connection with the Second Amending Agreement.

JMAC is a related party to Athabasca, as JMAC is controlled by Jon McCreary who is a director of Athabasca, and, as such, the Loan is a "related party transaction" within the meaning of MI 61-101. Athabasca is relying on an exemption from the formal valuation and minority approval provisions of MI 61-101 pursuant to sections 5.5(b) and 5.7(f) thereof, respectively.

For further information, please contact:  
Cheryl Grue, Director, Corporate Affairs  
Tel: 587-392-5862 / Email: [cheryl.grue@athabascaminerals.com](mailto:cheryl.grue@athabascaminerals.com)

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## FORWARD-LOOKING STATEMENTS

This news release contains certain statements or disclosures relating to Athabasca that are based on the expectations of its management as well as assumptions made by and information currently available to Athabasca which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results, or developments that Athabasca anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "plan", "expect", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: anticipated benefits of the Transaction to Athabasca and its shareholders; the timing and anticipated receipt of required Securityholder, court and regulatory approvals for the Transaction; the ability of Athabasca and the Purchaser to satisfy the other conditions to, and to complete, the Transaction; the anticipated benefits of the Transaction; the anticipated timing of the holding of the Meeting and the closing of the Transaction; and terms of the Loan.

In respect of the forward-looking statements concerning the anticipated benefits and completion of the Transaction, the timing and anticipated receipt of required third party approvals and the anticipated timing for completion of the Transaction, the Purchaser and Athabasca have provided such in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare and mail the Meeting materials, including the information circular; the ability of the parties to receive, in a timely manner, the necessary Securityholder, court and regulatory approvals; and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement Agreement.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Athabasca's control. Completion of the Transaction is subject to a number of conditions which are typical for transactions of this nature. Failure to satisfy any of these conditions, the emergence of a superior proposal or the failure to obtain approval of Securityholders may result in the termination of the Arrangement Agreement. The foregoing list is not exhaustive. Additional information on these and other risks that could affect completion of the Transaction will be set forth in the information circular, which will be available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Forward-looking statements related to the Loan are subject to known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including without limitation: Athabasca's ability to find alternative financing sources in respect of the Loan may not occur on the timelines anticipated or at all; future co-operation of the creditors of Athabasca and the ongoing willingness of its lenders under the Loan to provide funds to Athabasca. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Athabasca could differ materially from those expressed in, or implied

by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Athabasca will derive therefrom.

The forward-looking statements contained in this news release are made as of the date hereof and Athabasca undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless so required by applicable securities laws.

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