

# African Metals Corporation: Shareholders Approve Asset Sale

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Toronto, Oct 9, 2018 - [African Metals Corporation](#) (the "Company") (TSXV: AFR.H [formerly AFR]; Frankfurt: OWW) announces the results of its special meeting of shareholders (the "Meeting") held on Friday, October 5, 2018 to approve by special resolution, the sale of all or substantially all of the Company's assets and guarantee of Luisha Mining Enterprise SARL's obligations under the related sale agreement (the "Special Resolution"), as more particularly described and set forth in the Management Information Circular (the "Circular") which was sent to the shareholders.

We required a special majority (662/3%) of the votes cast at the Meeting as well as approval of a simple majority of the votes cast at the Meeting of the disinterested Shareholders, which Shareholders are all Shareholders other than TSM Entreprise S.A.R.L. ("TSM") and Simeon Tshisangama ("Tshisangama"), who are considered "related parties" under MI 61-101. Of the 14,038,681 issued and outstanding shares of the Company, 4,987,134 shares were represented at the Meeting in person or by proxy. The results of the vote were 4,987,084 (99.999%) in favour of the Special Resolution and 50 (0.001%) against.

The Company is currently experiencing ongoing and significant financial difficulties, which have resulted in, among other things, the Company failing to maintain good standing with the British Columbia Registrar of Companies (the "Registrar") and failing to maintain the listing requirements of the TSX Venture Exchange. Therefore, on Friday, March 10, 2017, the Company's listing was transferred to NEX, the Company's Tier classification was changed from Tier 2 to NEX, and the Company is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies. Despite such difficulties, the Company retained ownership of the following assets which are the subject of the Sale.

Through LME, an indirect subsidiary of the Company (the Company indirectly owns 71.25% of LME, TSM owns 23.75% of LME, and the government of the Democratic Republic of Congo ("DRC") owns 5% of LME), the Company currently controls the ownership of: (i) mining rights in the mining area governed by No. 4881 Mining License (the "Mining License") in the DRC; (ii) ore mined from the Mining Area; and (iii) other movables and real estates (collectively, the "LME Assets").

The Company also currently directly or indirectly through a subsidiary owns a 100% interest in a dense medium separation plant (the "DMS Plant", and collectively with the LME Assets, the "Target Assets").

The Sale - The Company entered into a purchase agreement dated May 23, 2018 (the "Original Agreement") with LME, Excellen Minerals SARL ("Project Company") and Tshisangama (collectively, the "Parties"), with the intention of effecting the Sale by transferring the Target Assets to the Project Company. Such Original Agreement was subsequently amended and supplemented by the Parties by a supplemental agreement dated August 9, 2018 (the "Supplemental Agreement").

Under the Original Agreement, as amended and supplemented by the Supplemental Agreement (the "Amended Agreement"), the Parties intend that, on closing of the Sale (the "Closing"), the Target Assets will be transferred to the Project Company.

The Closing is subject to several conditions precedent, including: (i) approval from the relevant authorities in the DRC of the transfer of the Mining License; (ii) the entering into of various agreements with various parties; and (iii) certain shareholders' and/or directors' resolutions of the Company's subsidiaries in connection with the Sale. The full list of conditions precedent to which the Closing is subject can be found in the Circular at "Particulars of Matters to be Acted Upon - Summary of Amended Agreement - (b) Conditions for Closing". The Company expects that the Closing will occur immediately following the approval and registration by the DRC government of the transfer of the Mining License, which approval will be sought immediately following the deposit into escrow of the Purchase Price which is expected shortly.

Use of Proceeds - If the Sale is completed, the Company plans to use the sale proceeds to settle its current secured and unsecured debts and liabilities, the total of which is estimated to be between US\$7,300,000 and US\$7,600,000, and which debts and liabilities were inherited by the current management and Board of Directors when they took office. The Company also intends to use the sale proceeds to reinstate the Company's corporate standing, bring its books and records back to good order, hold an annual general meeting of Shareholders and complete all necessary steps to have the current cease trade order dated

December 1, 2016 revoked. Once the Company's debts are settled, the Company plans to use the remaining sale proceeds, which are expected to be approximately US\$1,800,000 to US\$2,100,000, to seek out further business opportunities, which are currently unknown following the deposit into escrow of the Purchase Price which is expected shortly.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

*Neither the TSX Venture Exchange nor its Regulatory Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.*

*This press release includes certain forward-looking statements concerning the future performance of the Company's business and operations as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are based on the current opinions and expectations of management and are subject to a number of risks and uncertainties that may cause actual results, performance or achievements of the Company to be materially different from those currently anticipated by such statements. Any forward-looking statement speaks only of the date on which it is made, and except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statements.*

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