EastCoal Announces Private Placement, Appointment of A New Director and Name Change

12.08.2021 | ACCESS Newswire

VANCOUVER, August 12, 2021 - EastCoal Inc. (TSX-V:ECX) ("EastCoal" or the 'Company') is pleased to announce that it proposes to proceed with a non-brokered private placement (the 'Private Placement') of 4,040,404 units (the 'Units') at a price of $0.12375 per Unit, for gross proceeds of $500,000. Each Unit will be comprised of one common share (a "Share") in the share capital of the Company and one share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to acquire one additional Share at a price of $0.165 for a period of twelve months from the closing date.

The Company plans to allocate the gross proceeds of the Private placement to general working capital.

It is currently anticipated that 2,303,030 Units will be purchased by Kings Chapel International Limited ("Kings Chapel"), a BVI registered company. Following the closing of the Private Placement, Kings Chapel will own 10% of the Company's outstanding Shares and 18.2% assuming the exercise of the Warrants. Kings Chapel is also pursuing a potential opportunity to purchase additional Shares, and, if successful, will own 21.3% of the Company's outstanding Shares assuming the exercise of the Warrants. The Warrants issued to Kings Chapel will contain a restriction preventing the exercise of the Warrants if such exercise would result in Kings Chapel holding greater than 20% of the Company's outstanding Shares until such time as the Company has received shareholder approval to the creation of a new control person.

The Company has scheduled an annual and special meeting of its shareholders to be held on September 20, 2021 and will at such meeting request that the disinterested shareholders of the Company approve Kings Chapel as a possible new control person of the Company. As noted above, Kings Chapel will not be allowed to exercise a portion of the Warrants prior to such approval.

The Private Placement is subject to receipt of TSX Venture Exchange ("TSXV") approval. All securities issued pursuant to the Private Placement will be subject to a hold period of four months and one day from the date of issuance, in accordance with applicable securities legislation.

The Company is also pleased to announce that Mr. Julian Treger, a person closely associated with Kings Chapel, has, subject to completion of the Private Placement, agreed to join the Company's Board of Directors (the "Board") as Non-Executive Director. Mr Treger is currently the Chief Executive Officer of Anglo Pacific Group PLC During his tenure at Anglo Pacific Group, he has made $450m of acquisitions, transforming the business from a coal-based royalty business to a battery focused streamer, whilst increasing income from £3m in 2013 to close to £60m in 2019 pre-covid. Mr Treger also serves as non-executive chairman of Audley Capital Advisors llp, an investment advisory firm focused on natural resources which has a long track record of transforming and unlocking considerable value in the commodities extraction space, notably at Western Coal Corp. which it restructured pre bankruptcy and oversaw the sale a few years later at a value of $3.3b, and at Mantos Copper, acquired from Anglo American for $300m in 2015 and now worth well over $1b. In addition, Mr. Treger holds external non-executive directorships with Mantos Copper S.A., Broadwell Capital and BSL plc. He has a BA from Harvard College and an MBA from Harvard Business School.

The Company also announces that, subject to receipt of TSXV approval, it proposes to change its name from EastCoal Inc. to CoTec Holdings Corp. The Company will also request a change in its ticker symbol from the Exchange.

John Conlon, Chairman of the Company commented: "Going forward, CoTec will focus on establishing a mining related technology and commodities business. Julian Treger has a vast business network and an excellent track record as a successful entrepreneur and investor in the commodities space. His involvement as a director and investor will be of great assistance to the Company and its future success. More detail will be provided as and when it becomes available."

Julian Treger commented: "I am delighted to join the Board of CoTec and look forward to assisting in developing a large business in the commodity and technology arena. Watch this space."

About EastCoal Inc.

EastCoal Inc. is publicly trading mining issuer currently listed on the NEX Board of the TSXV.

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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.

Cautionary Note Regarding Forward-Looking Statements: Certain disclosure in this release may constitute 'forward-looking information' within the meaning of Canadian securities legislation. In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that the Company believes are reasonable. However, the forward-looking statements in this release, including without limitation, statements pertaining to the closing of the Private Placement, the appointment of a new director and the proposed name change, are subject to numerous risks, uncertainties and other factors that may cause future events to differ materially from those expressed or implied in such forward-looking statements. Such uncertainties and risks include, without limitation, financing risks and delays in obtaining or inability to obtain required regulatory approvals. 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. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

SOURCE: EastCoal Inc.