

Zincore and Mines & Metals Trading (Peru) Enter into Business Combination Agreement

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VANCOUVER, December 24, 2019 - [Zincore Metals Inc.](#) (NEX:ZNC.H) ("Zincore" or the "Company") is pleased to announce that it has entered into an arm's length definitive business combination agreement dated December 23, 2019, with Mines & Metals Trading (Peru) PLC ("MMTP") providing for the reverse takeover of Zincore by MMTP (the "Transaction").

Upon completion of the Transaction, it is anticipated that the Company (the "Resulting Issuer") will be listed as a Tier 2 issuer on the TSX Venture Exchange ("TSX-V") and will continue the exploration and development of MMTP's Recuperada zinc-lead-silver project in Huancavelica, Peru, and the reactivation of Zincore's Accha Zinc Oxide District ("AZOD") Project.

MMTP President and CEO, José María García commented, "After successfully resuming operation in 2019, we are excited to make a sustainable base metals production profile in Peru accessible to investors and the public capital markets. The combined company will focus on developing Recuperada's full potential while exploring further growth potential in the region."

Zincore President and CEO, Jorge Benavides, added, "We are excited to conclude this Agreement with MMTP and are working as quickly as possible to conclude the other elements of the Transaction, so that our shareholders may benefit from a return to market trading in our shares and exposure to the Recuperada asset".

Information Concerning MMTP

MMTP, a company incorporated under the Companies Act (2006) (Isle of Man), is a young and dynamic mining company with a vision to extract full value from undervalued projects across Latin America. MMTP's primary asset is the Recuperada silver-lead-zinc property, located in Huancavelica, Peru, which consists of 178 concessions covering a total of 11,261.32 hectares hosting a network of mineral-bearing veins, advanced infrastructure from historical underground mining operations, and an ore processing plant with processing capacity of 600 tonnes of ore per day and 210,000 tonnes of ore per year.

Details of the Transaction

The Business Combination Agreement provides that Zincore will acquire 100% of the issued and outstanding ordinary shares of MMTP (the "MMTP Shares") by way of a three-cornered merger (the "Merger") between Zincore, MMTP, and Zincore (IOM) Limited, a wholly-owned subsidiary of Zincore ("Subco").

Pursuant to the Merger, after giving effect to the MMTP Split and the Zincore Consolidation (each as defined below), each one MMTP Share will be exchanged for one common share of Zincore (a "Zincore Share"), and each ordinary share in the capital of Subco will be exchanged for one preferred share in the capital of Mergeco, following which the MMTP Shares and Subco Shares will be cancelled, and Subco will be dissolved. All outstanding MMTP warrants will be exchanged for warrants of the Resulting Issuer.

Upon closing, the Resulting Issuer is expected to be renamed "Latitude Base Metals Inc.", and will continue the businesses of MMTP and Zincore.

The Transaction is expected to close in March of 2020, subject to the satisfaction or waiver of conditions set out in the Business Combination Agreement, including:

- MMTP Split and Zincore Consolidation. MMTP shall have subdivided the issued and outstanding MMTP Shares on a one to 73.1990851585 basis (the "MMTP Split"), and Zincore shall have consolidated the outstanding Zincore Shares on a four to one basis (the "Zincore Consolidation"), in each case subject to adjustment as agreed by the parties.
- Debt Settlement. The debt settlement agreement dated August 8, 2019, between Zincore and its CEO, Jorge Benavides, providing for the settlement of debts owed by Zincore to Mr. Benavides in the amount of US\$482,234 (the "Debt Settlement"), shall remain in effect. The Debt Settlement was approved by the shareholders of Zincore at the annual general and special meeting of Zincore shareholders to be held on September 5, 2019, and is expected to be completed immediately after the Merger. Further information is provided in Zincore's press release of August 14, 2019.
- Financing. MMTP shall have completed a concurrent financing for minimum gross proceeds of C\$7,500,000.
- Shareholder Approvals. All required shareholder and regulatory approvals shall have been received by each of MMTP, Zincore, and Subco for the Transaction, including the Debt Settlement, the MMTP Split and the Merger.
- TSXV Approval. The TSX Venture Exchange ("TSXV") shall have approved the Transaction, subject only to the satisfaction of customary conditions.
- General. Other conditions that are customary for a transaction of this nature.

MMTP currently intends to complete a concurrent private placement financing of equity securities, or securities convertible into equity securities, for gross proceeds of at least C\$7,500,000 (the "Financing"). The structure of the Financing and price per security offered will be determined in the context of the market.

Zincore intends for trading in the Zincore Shares to remain halted until completion of the Transaction. Further details of the Transaction and the concurrent financing will be provided in a further press release, and in the disclosure documents (which will include business and financial information in respect of MMTP) to be filed by Zincore in connection with the Transaction.

Management and Organization

Following the closing of the Transaction, the Resulting Issuer will be led by José María García, Chief Executive Officer, Konstantin Lichtenwald, Chief Financial Officer and Secretary, and Chris Wilson, Vice President - Exploration. The Resulting Issuer's board of directors is expected to be fixed at six directors, including Jorge Benavides, Jose María García, John Gray, Sebastian Wahl, Carlos Espinosa, and Michael Hoffman. Biographical information for the proposed directors and executive officers of the Resulting Issuer follows.

José María García, Proposed Chief Executive Officer and Director

José María García is the Chief Executive Officer and a director of MMTP, and the proposed Chief Executive Officer and a director of the Resulting Issuer. Mr. García holds a MSc in Mining Engineering from Madrid Polytechnic University, a Master of Philosophy in Mineral Economics from the University of Queensland, Australia and is a Global Leadership Fellow from the World Economic Forum. Mr. García is also a Professional Engineer (Spain). He is currently a Director and Chief Executive Officer of MMTP and its operating subsidiary, Mines & Metals Trading (Peru) SAC ("MMTP SAC") (2016 - present). Previously, he was a co-founder of and consultant at Mining Sense Global SL (2013 - 2016), a mining consulting firm focused on mining project evaluation, economics, and strategy, an Associate Director of Mining and Metals at the World Economic Forum (2011 - 2014), and worked in various mining engineering roles with mining and professional mining services firms, including GHD Group Pty Ltd., Leighton Holdings (now CIMIC Group Limited), Inmet Mining Corporation (subsequently acquired by First Quantum Minerals), and Anglo American Chile Ltda.

Konstantin Lichtenwald, Proposed Chief Financial Officer and Secretary

Konstantin Lichtenwald is the Chief Financial Officer of MMTP, and the proposed Chief Financial Officer and Secretary of the Resulting Issuer. Mr. Lichtenwald specializes in providing corporate finance, valuation, taxation, financial reporting, consulting and other accounting services to both small businesses as well as public commodity resource companies. He also assists in many aspects of clients' administration, financing and other activities. Mr. Lichtenwald worked at Ernst & Young GmbH, Germany, in the assurance

department. He earned his BBA from Pforzheim University, Germany, holds the professional designation of chartered professional accountant (CPA, CGA), and is a member of Chartered Professional Accountants of British Columbia and Canada. Mr. Lichtenwald has had extensive experience as a controller, CFO and a director of numerous publicly traded and private corporations in several industries.

Christopher Wilson, Proposed Vice President - Exploration

Christopher Wilson is the Vice President - Exploration of MMTP, and the proposed Vice President - Exploration of the Resulting Issuer. Mr. Wilson holds a BSc (Hons) from University College of Wales and a PhD in Geology from Flinders University of South Australia, and is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional Fellow of the Society of Economic Geologists. Mr. Wilson is the Principal Consultant of Exploration Alliance SA (2007 to present), a mining consulting firm. Previously, he has served as Director, Chief Executive Officer, and Chairman of [Hunter Bay Minerals Plc](#) (2007 - 2014), and a director of a number of publicly-listed junior mining companies, including Manado Gold Corp. (2011 - 2014), Silver Pursuit Minerals Ltd. (2011 - 2013), Sula Iron & Gold PLC (2012 - 2013), and Genco Resources Ltd. (2009 - 2010).

Sebastian Wahl, Proposed Director

Sebastian Wahl is a director of MMTP SAC and a proposed director of Resulting Issuer. Mr. Wahl holds a BBA from the Graduate School of Business Administration Zurich. He is currently a director of MMTP SAC (2016 to present). Previously, he was a project development and assessment consultant and member of the Strategic Advisory Committee of Affinity Gold Corp. (2014 - 2015).

John Gray, Proposed Director

John Gray is a director of MMTP SAC, and a proposed director of the Resulting Issuer. Mr. Gray holds a BSc in Mining Geology from Royal School of Mines, London. He has over 30 years' experience in mineral exploration, having worked as a project and senior geologist primarily in gold, copper and platinum group metals exploration with both major international mining and junior exploration companies. He is the President of Redstar Gold Corp. (2019 - present) and Chief Executive Officer of Verde Resources Inc. (2009 - present), both junior gold exploration companies, and a director of MMTP PLC. Previously, he was Chief Operating Officer of Tesoro Minerals Corp. (2013 - 2014) and Chief Executive Officer of Manaar Limited (formerly African Aura Resources) (2005 - 2009).

Michael Hoffman, Proposed Director

Michael Hoffman is a proposed director of the Resulting Issuer. Mr. Hoffman holds a Bachelor of Applied Science in Mining Engineering from Queen's University, and is a Professional Engineer (Ontario). He is a professional mining engineer with over 35 years of experience in mine operations, projects, engineering and corporate development. He has served in senior executive positions at Trevali Mining Corporation (20011 - 2019), Belo Sun Mining Corp. (2012 - 2014), Crocodile Gold Corp. (2009 -2011), Crowflight Minerals Inc. (2007 - 2009), Goldcorp Inc. (2003 - 2006), Desert Sun Mining Corp. (2006 - 2007), and Yamana Gold Inc. (2006 - 2007). He is also currently a director of [Eastmain Resources Inc.](#) (2018 - present) and 1911 Gold Corporation (2018 - present).

Carlos Espinosa, Proposed Director

Carlos Espinosa is a proposed director of the Resulting Issuer. Mr. Espinosa holds a BBA from the National Autonomous University of Mexico (UNAM), and an MBA from Kellogg School of Management at Northwestern University. He is a founder of The SoftLanding Group Mexico, Inc. (2008 to present), a boutique advisory firm helping foreign corporations do business in Mexico, and President, Chief Executive Officer and a director of [Monarca Minerals Inc.](#) (2016 - present), a junior silver exploration and development company. Previously, he was Head of Business Development for the Americas (2012 - 2014) and globally (2014 - 2015) for the Toronto Stock Exchange, and served as Deputy Trade Commissioner of Mexico in Toronto (1999 - 2008).

Jorge Benavides, Proposed Director

Jorge Benavides is a proposed director of the Resulting Issuer. Mr. Benavides holds a MSc in Ore Deposits and Exploration from Stanford University and a BSc in Engineering Geology from the Colorado School of Mines. He is the President, Chief Executive Officer and a director of Zincore (2009 - present). Previously, he was Senior VP, Corporate Development (2001 - 2008) and Senior Advisor to the Chairman (2008 - 2009) of [Hochschild Mining plc](#), and Vice President, Exploration of Phelps Dodge Corp. (1993 - 2001).

Selected Financial Information of MMTP

The following tables provide selected consolidated financial information in respect of MMTP for the financial years ended December 31, 2018 and 2017, presented in Peruvian Soles.

Year ended December 31, 2018 (unaudited) (S/)	Year ended December 31, 2017 (unaudited) (S/)
Revenue	348,167
Cost of goods sold	280,233
Net loss and comprehensive loss	(7,751,523) (3,143,143)
As at December 31, 2018 (unaudited) (S/)	As at December 31, 2017 (unaudited) (S/)
Total assets	11,016,118
Total liabilities	14,523,184
Total shareholders' deficit	(3,507,066)

Certain Relationships and Interests

The Business Combination is an Arm's Length Transaction (as defined in TSXV policies).

No person who is a Non-Arm's Length Party (as defined in TSXV policies) of Zincore is a Non-Arm's Length party of MMTP or has any direct or indirect beneficial interest in MMTP, its subsidiaries, or any of their assets, except for John Gray, who is a director of both MMTP and Zincore. Mr. Gray holds 6,000 MMTP Shares, representing 0.5% of the MMTP Shares outstanding prior to the Transaction and the Financing on a non-diluted basis.

Preliminary Transaction - Loan

MMTP has established a loan facility (the "Facility") to provide Zincore with funds necessary to conduct its

operations until closing of the Transaction. To date, MMTP has made nine advances to Zincore under the Facility in the aggregate principal amount of approximately US\$272,000 to effect mutually agreed upon payments, including the maintenance of Zincore's property claims. Each advance is unsecured, and has a term of six months from the advance date, subject to extension by mutual agreement of MMTP and Zincore. Interest accrues on outstanding principal amounts from the date advanced, as well as all overdue amounts outstanding in respect of interest, at the rate of 10% per annum, calculated daily and compounded monthly. Any obligations of Zincore under the Facility that are outstanding at the time of closing of the Transaction shall continue as obligations of the Resulting Issuer.

Shareholder Approval

Transaction is not subject to approval by the Zincore Shareholders on grounds that:

- the Transaction is not a Related Party Transaction (as defined in TSXV policies) and no other circumstances exist which may compromise the independence of the Issuer or other interested parties with respect to the Transaction;
- the TSXV has confirmed its view that Zincore is without active operations on account of its listing on the NEX board of the TSXV;
- Zincore is not and will not be subject to a cease trade order, and the Resulting Issuer will not otherwise be suspended from trading on completion of the Transaction; and
- no aspect of the Transaction is subject to approval by the Zincore Shareholders under applicable corporate or securities laws.

Listing

An application has been made to list the common shares of the Resulting Issuer on the TSXV upon completion of the Proposed Transaction. The listing will be subject to satisfying all of the TSXV's listing requirements.

Sponsorship

Zincore intends to apply to the TSXV for a waiver from the requirement to obtain a sponsor for the Transaction. There can be no assurance that a waiver will be obtained. If a waiver from the sponsorship requirement is not obtained, the identity of the sponsor will be disclosed in a subsequent press release.

About Zincore

Zincore is a Vancouver-based mineral exploration company focused on zinc and related base metal opportunities in Peru. The Company's common shares trade on the NEX Board of the TSX-V under the symbol ZNC.H.

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Cautionary Notes

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V 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 management information circular or 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 Zincore should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the proposed Transaction and neither approved nor disapproved the contents of this news release.

Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward Looking Information

This news release contains certain forward-looking information within the meaning of applicable Canadian securities legislation. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate" "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking information". This forward-looking information contained in this news release includes, without limitation, information concerning the Transaction, the Financing, the Debt Settlement, expectations regarding whether the Transaction will be consummated, including whether conditions to the consummation of the Transaction will be satisfied, the timing for completing the Transaction, expectations for the effects of the Transaction or the ability of the Resulting Issuer to successfully achieve business objectives, expectations regarding whether the Financing will be consummated, and expectations for other economic, business, and/or competitive factors.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Zincore to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information contained in this press release, Zincore has made certain assumptions. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Transaction and the Financing; the ability to obtain requisite regulatory and securityholder approvals and the satisfaction of other conditions to the consummation of the Transaction on the proposed terms and schedule; the ability to satisfy the conditions to the consummation of the Financing; changes in general economic, business and political conditions, including changes in the financial and commodities markets; changes in applicable laws; compliance with government regulation; and the diversion of management time on the Transaction and the Financing. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although Zincore believes that the assumptions and factors used in preparing, and the expectations contained in the forward-looking information are reasonable, undue reliance should not be placed on such information, and no assurance or guarantee can be given that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Statements containing forward-looking information that are contained in this press release are made as of the date of this press release, and Zincore assumes no obligation to update or revise any forward-looking information, except as required by law.

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