

# BWR Exploration Inc. Announces Letter of Intent Signed for Business Combination With Electro Metals and Mining Inc. and Private Placement Bridge Financing

27.12.2024 | [GlobeNewswire](#)

TORONTO, Dec. 27, 2024 - [BWR Exploration Inc.](#) (BWR.V TSXV) a Toronto, Ontario - based corporation with its registered address at 82 Richmond Street East, Toronto, Ontario ("BWR") is pleased to announce it has signed a Binding Letter of Intent dated as of December 24, 2024 (the "LOI") with federally registered private Canadian company Electro Metals and Mining Inc. with its registered address at 1500 - 2 Queen Street East, Toronto, Ontario ("Electro") which sets forth the basic terms and conditions upon which BWR and Electro will combine their business operations (the "Transaction").

It is intended that BWR and Electro shall complete the Transaction by way of a proposed business combination that would result in the reverse takeover of BWR by Electro, subject to Electro successfully completing the Private Placements (as defined below) and other conditions precedent as described in detail below, including satisfactory execution of a definitive agreement. Further details of the Transaction and definitive agreement will be disclosed in due course. In accordance with the policies of the Toronto Venture Exchange ("TSXV"), trading of BWR shares has been halted as a result of this announcement and will not resume trading until such time as the TSXV determines according to its policies.

Electro is based in Toronto and is a privately held Canadian company incorporated on January 22, 2014, in Ontario, which is engaged in the acquisition, exploration and potential development of precious and critical metals in Quebec, Canada. Electro has a 100% - owned block of claims covering 113.6 hectares with historical copper - silver mineralization and, on an adjacent block of 5,830 hectares, Electro has an option agreement to earn 100% interest in an advanced stage exploration property which hosts resources of copper - zinc - silver - gold, located approximately 55 km by gravel and paved road northwest of Rouyn-Noranda, Quebec.

## The Transaction

It is intended that BWR and Electro will enter into a business combination by way of a share exchange, three-cornered amalgamation, merger, amalgamation, arrangement or other similar form of transaction (collectively, the forgoing with any related transaction, which will result in Electro and all of its subsidiaries and affiliates becoming directly or indirectly wholly-owned subsidiaries of BWR (the "Resulting Issuer")). The parties agree, however, that the final structure of the business combination is subject to receipt by the parties of satisfactory tax, corporate and securities law advice in each party's sole discretion. The Transaction is an arm's length transaction.

For the purposes of the Transaction, the deemed value of each common share in the capital of BWR (the "Common Shares") shall be \$0.025 per Common Share based on BWR's capitalization prior to the Consolidation (as defined below), and the deemed value of each ordinary share in the capital of Electro (the "Ordinary Shares") shall be \$0.20 per Ordinary Share based on the pricing of the Private Placements (as defined below), or such other amount as may be agreed to by the parties and accepted by the TSXV (the "Electro Share Value"). Prior to completing the Transaction, it is intended that BWR shall consolidate the Common Shares or the exchange ratio of the Transaction will be similarly adjusted (the "Consolidation") on the basis of 1 post-Consolidation Common Share for every 8 pre-Consolidation Common Shares, thereby resulting in the deemed value of the Common Shares, post-Consolidation, being equal to the Electro Share Value. Each BWR option and warrant shall be adjusted so that the number of shares issuable upon exercise, and the exercise price thereof, are adjusted to give effect to the Consolidation.

The authorized share capital of BWR consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of non-voting preferred shares without nominal or par value, issuable in

series, of which 106,010,461 Common Shares are issued and outstanding and a total of 7,050,000 Common Shares are reserved for issuance under management stock options, and 2,284,000 warrants. As at August 31, 2024, BWR has approximately \$10,638 in cash and cash equivalents. It is understood BWR will issue approximately 17,000,000 pre-consolidation shares to settle accounts payable, accrued liabilities, and audit expenses at a price of \$0.025 per share prior to the Consolidation, resulting in a deemed price per share post-Consolidation of \$0.20. BWR will not incur any material expenses except in the ordinary course of its listing and except as contemplated herein unless notice has been provided to Electro.

As of the date hereof, the securities of Electro that are issued and outstanding are 33,146,560 Ordinary Shares, 12,987,110 warrants, 2,400,00 Ordinary Shares are reserved for issuance under employee stock options, and 4,000,000 shares to be distributed to Globex Mining Enterprises (the "Optionor") as per an amended option agreement dated December 18, 2024 among Electro and the Optionor. Under the terms of the agreement (more details provided below), Electro will pay Globex \$3,500,000 cash over 4 years, including \$100,000 by January 31, 2025 at the latest, 4,000,000 Electro common shares no later than January 31, 2025 and an additional 2,000,000 shares at the 4<sup>th</sup> anniversary and undertake \$8,350,000 in expenditures on the property including a minimum of \$650,000 in the first year. Upon commercial production, Globex will receive an additional \$1,000,000 adjusted for inflation. It is understood Electro will issue up to 3,000,000 shares to settle accounts payable, accrued liabilities, transaction fees, and near-term property assessment fees at \$0.05 per Ordinary Share. Other than as disclosed herein, there are no securities convertible into or exchangeable for, or other rights to acquire, Ordinary Shares of Electro outstanding and no person has any agreement, right or privilege capable of becoming such for the purchase, subscription, allotment or issue of any of the unissued securities of Electro, such condition being subject to change upon agreement with BWR should funds be required for filings prior to closing of the Transaction.

The Consolidation or exchange ratio to the Transaction shall not exceed one for eight unless otherwise agreed by the parties.

There can be no assurance that the parties will achieve the completion of the Transaction. BWR will hold a meeting of its shareholders to vote on the Transaction and will require that a majority of the votes of its shareholders vote in favour of the Transaction in order to proceed with it. Further details concerning the Transaction (including additional financial information) and other matters will be announced if and when a definitive agreement is reached.

#### Private Placements

It will be a condition of completion of the Transaction that each of each of BWR and Electro complete a unit financing to raise up to a combined \$300,000 for immediate use for near term commitments and to advance the Transaction (the "Bridge Financings").

Electro expects to complete its Bridge Financing offering of up to 1,000,000 units, at a price of \$0.16 per unit ("Electro Bridge Unit"), to raise gross proceeds of no less than \$120,000 up to a maximum of \$160,000 to satisfy to satisfy certain conditions precedent, transaction costs, and audit fees.

Each Electro Bridge Unit will consist of one Electro Ordinary Share and one warrant to purchase one Electro Ordinary Share at an exercise price of \$0.25 for a period of two years from the date the Electro Ordinary Shares are listed on a public stock exchange.

BWR expects to complete its Bridge Financing offering of up to 9,000,000 units at a price of \$0.02 per unit ("BWR Bridge Unit"), prior to the Consolidation, to raise a minimum of \$100,000 up to \$180,000 to satisfy certain fees for services related to the Transaction and audit fees. Of the gross proceeds, it is expected that approximately \$60,000 will be paid to non-arm's length parties providing legal services and accounting services in relation to the Transaction. The BWR Bridge Financing is not contingent on completion of the Transaction with Electro. If the transaction does not close, any unallocated proceeds will be used by BWR for general capital purposes.

Each BWR Bridge Unit will consist of one BWR Common Share and one warrant to purchase one BWR Common Share, each warrant will have an exercise price of \$0.05 for a period of five years from the date of issuance. Upon completion of the Transaction, the BWR Common Shares and warrants will be adjusted for the Consolidation.

The BWR Bridge Financing is subject to TSX Venture Exchange and regulatory approval. Closing for both Bridge Financings is expected on or about January 15, 2025 or such other date as each Company may determine, but in any event, no later than January 31, 2025.

Additionally, both BWR and Electro expect to complete concurrent financings to complete the contemplated Transaction. BWR is expected to raise a minimum of \$1,750,000 and a maximum of \$2,250,000 by issuing units (the "Flow-Through Units") post-Consolidation, consisting of one Flow-Through BWR Common Shares and one-half of one warrant, with each whole warrant entitling the holder to purchase one post-Consolidation BWR Common Share for a period of three years from the date of closing at a price of \$0.35 per BWR Common Share (the "Concurrent Flow-Through Private Placement") at a price of \$0.24 per Flow-Through Unit.

Electro expects to raise a minimum of \$300,000 and a maximum of \$500,000 by issuing units (the "Hard Dollar Units") of Electro ("Concurrent Hard Dollar Private Placement") (together with the Concurrent Flow Through Private Placement and Bridge Financings, the "Private Placements") at a price of \$0.20 per Hard Dollar Unit. Each Hard Dollar Unit consists of one (non- Flow-Through) Electro common share and one warrant entitling the holder to purchase one Electro common shares for a period of two years from the date of closing at a price of \$0.25 per common share. Further details of the Concurrent Flow Through Private Placement and Concurrent Hard Dollar Private Placement will be announced upon completion of the Bridge Financing and signing of a definitive agreement. All Electro securities will be exchanged into BWR post-Consolidation securities on a 1 for 1 basis.

After taking into account the proposed Private Placements, the share issuance to Optionor, and business combination the Resulting Issuer will have a minimum of approximately 66.4 million and a maximum of 69.2 million shares outstanding, and 81.0 - 82.8 million shares fully diluted, subject to additional warrants issued in connection with the Private Placements. The closing of the Transaction will be conditional upon the Private Placements being completed.

The securities to be offered in the Private Placements have not been, and will not be, registered under the *U.S. Securities Act* or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the *U.S. Securities Act* and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

#### Finder's Fee

In conjunction with the Transaction the parties will issue Finder's Fees of cash and warrants (collectively, "Finders' Compensation") to arm's length third parties that introduce investors and such third parties will have the right to allocate to their designated company or certain individuals prior to the closing of the Transaction. The Finders' Compensation will be related to the securities issued as part of the Private Placements, and will be up to 7% cash and 7% finders warrants at the same terms as the applicable Private Placement.

#### Shareholder Meeting

Matters to be approved by BWR's shareholders in connection with the Transaction, including the Consolidation, will be sought from BWR's shareholders at its annual and special meeting to be held on a date to be announced by BWR and intended to be described in further detail in a management information circular relating to such meeting.

#### Officers, Directors, and Insiders of the Resulting Issuer

Certain of the officers and directors of BWR and Electro intend to resign prior to the closing of the Transaction. A new slate of directors will be appointed and put up for election as determined by Electro and BWR to be described in further detail upon the announcement of a definitive agreement.

*Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV Requirements, majority of the minority 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 a capital pool company should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.*

#### About BWR Exploration Inc.

BWR is a "Tier 2 junior exploration company" with shares listed and trading on the TSXV Venture Exchange (trading symbol: "BWR.V"). BWR holds exploration properties in Québec, Ontario, and Manitoba each with historic resources. Management of BWR includes an accomplished group of exploration/mining specialists with many decades of operational experience in the junior resource sector in Canada and abroad.

#### About Electro Metals and Mining Inc.

Electro Metals and Mining Inc. was created to seek advanced critical metals projects with copper - related projects; copper - zinc, copper - nickel, or resources that are advanced with reasonable expectation that they can be developed to production to generate cash flow or be monetized. As such the company seeks projects with resources, or projects that are near to production. The first project the company is focused on is the Fabie - Magusi copper - zinc - silver - gold project located 45 km by road from Rouyn - Noranda Quebec. The site has seen past production in 1976 and 2007 to 2009. The project has a 43-101 resource which can be expanded, and, depending on cut - off grade has the potential to be developed as an underground or open pit operation, or both. In addition the property hosts numerous exploration targets, power to the site, and is within trucking distance to processing facilities in the Val d'Or to Timmins region. The project will be a focus of significant resource and exploration drilling with the intent to move the project toward a production decision. Electro Metals has bid on advanced mining projects and certain producing, cash - flowing assets and continues to seek opportunities to enhance shareholder value through acquisitions and through the drill bit.

The following provides details of the Electro - Globex Option Agreement Terms:

Date	Shareholder, Such shares to be issued upon completion of common shares being listed for trading, Annual Payments
15 January, 2025**	\$1,000,000 shares
15 January, 2026	\$650,000
15 January, 2027	\$250,000 (\$4,150,000 spent)
15 January, 2028	\$750,000
15 January, 2029	\$2,250,000 (\$8,350,000 spent) 2,000,000 shares
For 100% Interest	\$8,650,000 shares
UPON ACHIEVING COMMERCIAL PRODUCTION	\$1mm shares adjusted for inflation
Total	7mm \$4,500,000 production

\*\* No later than January 31, 2025.

For further information, please contact:

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

#### Forward-Looking Information

*Completion of the proposed Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the proposed Transaction will be completed as proposed or at all.*

*Investors are cautioned that any information released or received with respect to the proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of BWR should be considered highly speculative.*

*The TSXV has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.*

*All information contained in this news release with respect to BWR and Electro was supplied by the parties, respectively, for inclusion herein, and each such party has relied on the other party for any information concerning such party.*

*This news release contains forward-looking statements relating to the timing and completion of the proposed Transaction, the share capital of the Resulting Issuer, the future operations of BWR, Electro, and the Resulting Issuer, the proposed directors, officers and advisors of the Resulting Issuer and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the proposed Transaction and the future plans and objectives of BWR, Electro, and the Resulting Issuer are forward-looking statements that involve risks and uncertainties. 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. Important factors that could cause actual results to differ materially from BWR's, Electro's, and the Resulting Issuer's expectations include the failure to satisfy the conditions to completion of the proposed Transaction set forth above and other risks detailed from time to time in the filings made by BWR, Electro, and the Resulting Issuer with securities regulators.*

*The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of BWR, Electro, and the Resulting Issuer. As a result, BWR, Electro, and the Resulting Issuer cannot guarantee that the proposed Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and BWR, Electro, and the Resulting Issuer expressly disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.*

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/488392--BWR-Exploration-Inc.-Announces-Letter-of-Intent-Signed-for-Business-Combination-With-Electro-Metals-and-Min>

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