



# 1290442 B.C. LTD. ANNOUNCES REVERSE TAKEOVER TRANSACTION WITH AFRIUM

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TORONTO, ONTARIO, CANADA, December 19, 2022 /EINPresswire.com/ -- 1290442 B.C. Ltd. ("442BC" or the "Company") announces that it has entered into a binding agreement (the "Agreement") dated December 15, 2022, with Afrium Energy Pte. Ltd. ("Afrium") to complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by Afrium (the "Transaction").

## Summary of the Transaction

The Transaction will be structured as an amalgamation, arrangement, takeover bid, share purchase or other similar form of transaction or a series of transactions that have a similar effect with the Company acquiring all of the common shares in the capital of Afrium ("Afrium Shares"). The final structure of the Transaction will be determined by the parties following receipt of tax, corporate and securities law advice. The Transaction is an arm's length transaction.

The resulting issuer that will exist upon completion of the Transaction (the "Resulting Issuer") will change its business to the current business of Afrium.

## Description of Afrium and its Business

Afrium Energy Pte. Ltd. is a privately-owned uranium exploration mining company incorporated in Singapore and exclusively focused on Africa. Its flagship Lekobolo exploration project is located in Botswana. Afrium holds through its fully-owned Botswanan subsidiary, the 792 sq km prospecting licence PL 007/2022 (Lekobolo).

## Share Adjustment and Exchange of Securities

Pursuant to the terms of the Agreement, the Company will effect a consolidation or split (the "Share Adjustment") of its issued and outstanding common shares (the "442BC Shares", and following the Share Adjustment, the "Adjusted 442BC Shares") prior to the completion of the Transaction (the "Closing"), that results in the shareholders of the Company receiving shares that have a value of CAD\$1.5 million (the "Shell Value") based on the Seed Financing Price (as defined below). The Share Adjustment is subject to increase if Afrium issues Afrium Shares at a price that is less than the

Seed Financing Price, in which case the number of Adjusted 442BC Shares resulting from the Share Adjustment shall be increased to that number of Adjusted 442BC Shares equal to the Shell

Value divided by such lesser price.

In accordance with the terms of the Transaction, the holders of the issued and outstanding Afrium Shares will be issued one (1) Adjusted 442BC Share (in each case, being shares of the Resulting Issuer) in exchange for every one (1) Afrium Share held immediately prior to the Closing.

#### 442BC Shareholder Approvals

Prior to the Closing, 442BC intends to diligently seek requisite shareholder approval by written consent (the "442BC Shareholder Approval") to approve, among other things, (i) a change of its name to such name as may be requested by Afrium (the "Name Change"); (ii) the Share Adjustment; (iii) the election of nominees of Afrium (the "Afrium Nominees") to the board of directors of the Resulting Issuer conditional upon the completion of the Transaction; (iv) the Transaction or a component thereof (as may be required or as appropriate in lieu of one or more of the foregoing); and (v) such other matters as Afrium may reasonably request in connection with the Transaction.

#### Afrium Financings

##### Seed Financing

As part of, and as a condition to the Closing, Afrium will complete a private placement of Afrium Shares to raise aggregate gross proceeds of CAD\$2,500,000 (the "Seed Financing") at a price of CAD\$0.10 per share (the "Seed Financing Price").

##### Subscription Receipt Financing

Following the completion of the Seed Financing, Afrium directly, or through a newly formed special purpose vehicle ("Finco"), will complete a brokered private placement (the "Subscription Receipt Financing" and, together with the Seed Financing, the "Afrium Financings") of subscription receipts ("Subscription Receipts") to be led by one or more appointed agents (the "Agents") at a price per Subscription Receipt (the "Issue Price") to be determined in the context of the market for targeted gross proceeds of a minimum of CAD\$7,500,000 and a maximum of

CAD\$15,000,000. Each Subscription Receipt would be convertible, for no additional consideration,

into one (1) Afrium Share or one (1) common share of Finco (each a "Finco Share"), as applicable, which Afrium Shares or Finco Shares shall be exchanged at no additional consideration for Adjusted 442BC Shares by way of (a) an amalgamation among the Company and Finco; (b) a share exchange transaction between the Company and the holders of Finco Shares; or (c) an amalgamation transaction with similar effect. In addition, compensation options ("Compensation Options") to acquire either Finco Shares may be issued on the terms and conditions to be determined in the context of the

market.

### Closing Conditions

In addition to the completion of matters discussed herein, the completion of the Transaction is subject to a number of customary conditions, including: (i) receipt of all required consents or approvals, including approval of the TSX Venture Exchange; (ii) completion of the Transaction on or before December 31, 2023, or such other date as may be agreed upon by the parties; (iii) no prohibition at law existing for completion of the Transaction; (iv) escrow agreements being entered into pursuant to the policies of the Exchange; (v) approval of the Transaction and all matters related thereto require to be approved by the shareholders of 442BC and Afrium; (vi) the representation and warranties of each of 442BC and Afrium being true and correct as of the date of the Closing; and (vii) no material adverse change of each of 442BC and Afrium.

### Management and Board of the Resulting Issuer

Upon the Closing, all of 442BC's current directors and executive officers will resign and the board of directors and executive officers of the Resulting Issuer will be comprised of the nominees of Afrium.

### Further Information

Further details about the proposed Transaction, the Afrium Financings and the Resulting Issuer will be provided in the disclosure document to be prepared and filed in connection with the Transaction. Investors are cautioned that any information released or received with respect to the Transaction in this news release may not be complete and should not be relied upon.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities to be issued in connection with the Transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Investors are cautioned that, except as disclosed in the management information circular or listing 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 442BC should be considered highly speculative.

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

About 1290442 B.C. Ltd.

1290442 B.C. Ltd. is a public company with no current activities or operations. For more information, please contact:

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#### CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING INFORMATION

This news release contains "forward-looking statements" within the meaning of applicable securities

laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements.

Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". In this news release, forward-looking statements relate, among other things, to: the terms and conditions of the proposed Transaction; the terms of the proposed Afrium Financings; the Share Adjustment; the Name Change; the current business of Afrium; the business and operations of 442BC and Afrium following the Closing; and expected directors and officers of the Resulting Issuer following the Closing and the ability of the Resulting Issuer to fulfill the listing requirements of the Exchange and receiving the Exchange's approval. Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company's ability to continue as a going concern; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the continued growth of the Company; the Company's ability to finance the completion of the proposed Transaction; the Company's inability to complete the Transaction, and Name Change, and risks associated with the ability of the Resulting Issuer to fulfil the listing requirements of the Exchange.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive any necessary board, shareholder or regulatory approvals, including the approval of the Exchange; the risk that the Exchange may not approve the Transaction; that factors may occur which impede or prevent Afrium's future business plans; and other factors beyond the control of 442BC and Afrium. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers

should not place undue reliance on the forward- looking statements and information contained in this news release. The terms and conditions of the Transaction and the Afrium Financings may change based on the receipt of tax, corporate and securities law advice for each of the parties.

Except as required by law, 442BC and Afrium assume no obligation to update the forward-looking statements, whether they change as a result of new information, future events or otherwise, except as required by law. Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. 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 and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.

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