

# Investment in Kings of the North Corp

31 December 2020

*Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information for the purposes of Article 7 under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.*

## **BWA Group PLC**

("BWA" or "the Company")

### **Investment in Kings of the North Corp**

#### **Change of Registered Office**

#### **Investment in Kings of the North Corp**

BWA Group plc [AQSE: BWAP], which holds two mineral exploration licences in Cameroon as well as a number in Canada at various stages of development and is quoted on London's AQSE Growth Market (formerly NEX), provides an update to its previous announcement on 19 November 2020 regarding the licences in Canada, the failure of St Georges Eco-Mining Corp ("**St Georges**") and associated others (the "**St Georges Group**") to complete the purchase of Kings of the North Corp ("**KOTN**") from BWA and the questions which have arisen as to the title to various of the claims held by KOTN, leading to a substantial provision against the holding value by BWA of the investment in KOTN, as announced on 1 December 2020.

BWA has commissioned legal and geological reviews of the documentation of the original agreement to acquire the five licence groups in Canada from St Georges Group which was completed on 30 September 2019, and announced on 1 October 2019, along with a connected board change and fundraising (collectively, the "**Transaction**"). The interim report of the legal review of the first two licence groups concluded that the underlying licences for the Villebon property had not been renewed by St Georges on expiry and prior to 30 September 2019 and that the then directors of KOTN (which did not include a member of the BWA board or a BWA representative at that point) had similarly failed to renew these licences. In relation to the Hemlo North Limb property, the owner of the underlying licences has confirmed that St Georges and KOTN had failed to comply with certain undertakings prior to 30 September 2019 and that KOTN's interest in that property had lapsed prior to 30 September 2019. The combined purchase price of these properties was C\$4.2 million (approx. £2.4 million). Those former directors of KOTN who were officers of St Georges on 30 September 2019 have been notified of the intention to pursue them for that amount for failure of fiduciary duty.

Retained consultants and legal advisers are reviewing the remaining three licence areas with a view to considering whether there are further losses attributable to the former directors of KOTN, the directors of St Georges as of 30 September 2019 and St Georges, as well as how the remaining licences could be profitably developed.

St Georges Eco-Mining Corp has claimed C\$200,000 from KOTN and BWA in respect of work not carried out on the Villebon property prior to May 2020. BWA and KOTN have each denied any liability.

In addition to the above matters, BWA is issuing a County Court claim against a UK company of which one of the St Georges directors, formerly also a KOTN director, is a major shareholder and director in the sum of £45,000 plus interest and costs, which currently together total some £57,000, in respect of a guarantee of payment of a debt due to BWA by that director. This relates to a separate aspect of the Transaction

Further announcements will be made in due course.

## **Change of Registered Office**

The Company's registered office is now located at One Bartholomew Close, London EC1A 7BL.

Ends –

### **For further information:**

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