

\$21.5M sale of FOX-TEK to Mooncor signals a new day dawning for Augusta Industries

Augusta Industries Inc. (TSXV: AAO) is a Canadian company made up of two key subsidiaries – FOX-TEK and Marcon. The Company has recently sold FOX-TEK to Mooncor Oil & Gas Corp. Augusta is engaged in the development, design, manufacture and supply of systems using fiber optic sensors, related monitoring instruments, and software. These systems serve the needs of the oil and gas, power generation, chemical, mining, and civil structure market sectors worldwide.

An experienced management and technical team lead operations and expansion in North America and locations around the world.

Augusta Industries clients include Canadian Natural, Shell, Chevron, and Petron. Augusta has industrial relationships with many US Government departments including, the Department of the Interior, Homeland Security, US Army, US Navy, US Air force and NASA. Internationally clients also include Kuwait Oil Company and Qatar Gas.



Augusta Industries subsidiary FOX-TEK handles the installation and reporting of information on an outsourcing basis. FOX-TEK also provides support engineering services related to planning, training, on-site installation, and data interpretation and reporting.

On May 28th, the Company announced the sale of one of its' two subsidiaries (FOX-TEK) for up to C\$21.5 million, consisting of \$9,500,000 in common stock of the acquirer (Mooncor) and additional potential royalties of \$12,000,000. Mooncor Oil and Gas Corp. is a Canadian junior oil and gas exploration and development company. Augusta plans to distribute a portion of the consideration shares to shareholders.

Regarding the portion to distribute, CEO Allen Lone states: "It will be in the 25% range. If you do the math, 25% of \$9.5M is \$2.37M being returned to shareholders. At a market cap of \$6.5M (as on May 28, 2018), that amounts to an approximate 35% return to current shareholders. Plus the remaining shares go on the balance sheet of the company and royalty payments could add substantial cash to the company in the coming years. Not bad. Not bad at all."

With a current market cap of just C\$ 5.1 million, it becomes very obvious that both the Company and the shareholders will

benefit greatly from the sale of FOX-TEK for up to \$21.5 million.

Marcon International is Augusta Industries other subsidiary. Marcon is involved in the industrial supply of equipment and parts procuring for its clients, which are principally clients in the oil and gas industry and United States government agencies.

Initially the Company had focused on providing services in the energy sector but has moved on to also work with Government contracts and Government services. Marcon itself has two subsidiaries, Marcon USA and Marcon UK, to help enhance and support its logistic and sales operations. Over the years it has established a great reputation of being a consistent performer for its clients in the Government as well as the international oil and gas industry.

As CEO Allen Lone states: "A new day is dawning for Augusta and investors, both old and new." Investors should definitely take a look at this undervalued gem.

Augusta Industries' Allen Lone on leak detection technology and services for the oil and gas industry

Allen Lone, President, CEO, Director of Augusta Industries Inc. (TSXV: AAO) ("Augusta") in an interview with InvestorIntel Senior Editor, Jeff Wareham discuss their two business units, FOX-TEK Canada Inc. ("FOX-TEK") and Marcon

International Inc. ("Marcon"), which both focus on maintenance repair and operations of oil and gas pipelines. FOX-TEK concentrates on leak detection, corrosion monitoring, micro cracking and bending, stress and strain in gas and oil pipelines. Marcon is involved in the industrial supply of equipment and parts procuring for clients in the oil and gas industry and the U.S. government agencies. Both Marcon and FOX-TEK operate under Augusta. Allen states though the oil and gas industry is tough, pipelines still have to operate. As Augusta focuses on the detection side of monitoring leaks, there will always be a need for their products and services. Allen then goes to explain what shareholders can expect to hear next from Augusta.

Jeff Wareham: Allen you have got a pretty complicated story. What should investors be focusing on with your business?

Allen Lone: I will start off by simplifying Augusta Industries as a holding company with two business units, FOX-TEK Canada Inc. and Marcon. FOX-TEK concentrates on leak detection and corrosion monitoring and micro cracking and bending, stress and strain on pipelines. Marcon is a contractor mostly and predominately with the U.S. government doing sales and services.

Jeff Wareham: The oil and gas industry has been a focus in the past and it has been a tough place to be for the last few years. Is that part of what prompted the move into Marcon?

Allen Lone: Marcon has been around for 25 years. That is based on oil and gas really initially and then turned into U.S. government contracting. The industry is tough, but we are in maintenance repair and operations more so than anything else. Pipelines still have to operate, oil has to flow and we are on the detection side monitoring leak detection and so on and that you always have to have a need for that.

Jeff Wareham: You have announced changes in corporate

structure recently. What was the rationale for that?... to access the complete interview, [click here](#)

Disclaimer: Augusta Industries Inc. is an advertorial member of InvestorIntel Corp.